

DISCLOSURE IN RESPECT OF ISSUANCE  
OF SECURITY IN DEMAT FORM

**“As per provisions of the Depository Act, 1999 and regulations made thereunder, share of the company will be issued in dematerialized form only and for this purpose the Asia Pacific General Insurance Company Ltd. has signed an agreement with the Central Depository Bangladesh Ltd. (CDBL). Therefore, all transfer/transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including right/bonus) will also be issued in dematerialized form only.”**

CONDITIONS UNDER 2CC OF THE SECURITIES  
AND EXCHANGE ORDINANCE, 1969

**Part-A**

1. The company shall go for Initial Public Offer (IPO) for 10,50,000 ordinary shares of Taka 100/- each at par worth Taka 10,50,00,000.00 following the Public Issue Rules, 1998, the Depository Act, 1999 and regulations issued there under.
2. The Prospectus, as vetted by SEC, shall be published in one widely circulated daily national newspaper (preferably in Bengali) within 5 (five) days from the date of consent. Information relating to publication of the prospectus shall be published in four daily national newspapers (Bengali and English) simultaneously. An abridged version of the prospectus vetted by SEC shall also be published in two widely circulated national daily newspapers.
3. The issuer company and the issue manager shall ensure transmission of the prospectus and relevant application forms for NRBs through email, simultaneously of publication of the prospectus, to the Bangladesh Embassies and Missions abroad, as mentioned in the prospectus, and shall also ensure sending of the printed prospectus and application forms to the said Embassies and Missions within three working days of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue manger within two working days from the date of said despatch of the prospectus & the forms.
4. The paper clipping of the published prospectus, as mentioned at condition 2 above, shall be submitted to the Commission within 24 hours of the publication thereof.
5. The company shall submit 40 (forty) copies of the printed prospectus, along with a diskette prepared in “MS WORD” containing the prospectus, as vetted by SEC, to the Securities and Exchange Commission for official record within 3 (three) working days from the date of publication of the prospectus in the newspaper.
6. The company shall maintain bank account(s) for collecting proceeds of the Initial Public Offering from the prospective investing public as mentioned in the prospectus.
7. The company shall also open FC account(s) to deposit the application money of the non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. NRB means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required to travel to Bangladesh.
8. The company shall open FC accounts on approval of Prospectus by SEC; and close these accounts after refund of over-subscription.

9. The company shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchange(s) where it intends to list its securities.

**10. The following declaration shall be made by the company in the prospectus, namely:-**

**“Declaration about Listing of Shares with the Stock Exchange(s):**

Application(s) will be made to the Dhaka and/or Chittagong Stock Exchange(s) within 5 (five) days of first issuance of the prospectus for permission of the share of the company for dealing in any or both of the said stock exchanges and for quotation on the stock exchange(s).

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

11. Notwithstanding anything contained in the Public Issue Rules, 1998 regarding limitation on the publication period, subscription shall start after 25 (Twenty five) days from the date of publication of the prospectus.
12. Notwithstanding anything contained in the Public Issue Rules, 1998 regarding limitation of the time on closure of the subscription, the subscription shall remain open for 5 (Five) consecutive banking days.
13. Application shall be sent by the NRB applicants directly to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus nine days. Applications received by the company after the above time period will not be considered for allotment purpose.
14. The company shall apply the spot buying rate (TT clean) in US\$, UK Pound Sterling and Euro of Sonali Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
15. The company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of shares without any difficulty/ complain.
16. The company and the issue manager shall jointly provide SEC with the preliminary status of the subscription within one week from closure of the subscription date, and also the list of valid and invalid applicants (i.e. final status of subscription) to the Commission within 3 (three) weeks after the closure of the subscription date including bank statement (original), branch-wise subscription statement, NRB application forms (photocopy attested by MDs of the issuer company and the issue manager) regarding collection of initial public offer money. The final list of valid and invalid applicants shall be finalized after examining with the CDBL in respect of BO accounts and particulars thereof.

17. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 6 (six) weeks from the date of the subscription closure) if any of the following events occur:

- (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
- (b) At least 50% of the IPO is not subscribed.

18. IPO distribution system:

All the applicants shall first be treated as applied for one minimum market lot of Tk. 5000/- worth of shares. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot, and thereafter, for the balance amount, lottery shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by the amount of a market lot separately for both non-resident Bangladeshis (NRBs) and General Public.

In case of over subscription, allotment shall be made by lottery among all the valid applicants in presence of the authorized representatives of the stock exchange(s) concerned, issue manager and a member of the Board of the company.

19. Lottery (if applicable) will be held within 5 (five) weeks from closure of the subscription date.

20. The company shall issue share allotment letters to all successful applicants within 6 (six) weeks from the date of the subscription closing date. At the same time, the unsuccessful applicants shall be refunded with the application money within 6 (six) weeks from the closing of the subscription date by Account Payee Cheque without interest 'payable at Dhaka/Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet, as the case may be. A compliance report shall be submitted with the Commission within 7(seven) weeks from the date of closure of subscription.

21. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within 24 (twenty four) hours of allotment.

22. In the event of under subscription of the issue (subject to para -17 above), the issuer must notify the Underwriter to take up the underwritten shares within 10 (ten) days of the subscription closing date on full payment of the share money within 15(fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee, commission, etc. with the issue manager, other underwriter, issuer or the sponsor group.

23. In case of under subscription, the issuer shall not utilize the IPO fund before listing its securities with the stock exchange and the issuance of no objection letter from SEC.

24. The securities, which are subscribed by the Sponsors/Promoters/Directors, as described in the Prospectus, shall be subject to a Lock-in period of three years, in case of the companies intended/intending to go for Initial Public Offering (IPO), from the date of publication of the prospectus.

25. Either a Jumbo Share (one for each of the existing Sponsors/ Directors/ Shareholders) in respect of the shares already issued shall be issued covering together respective total holding which shall contain the expiry date of lock-in period **or** Sponsors/ Directors/ Promoters/Shareholders' shareholding shall be converted into demat form but shall be locked-in for three years as per the condition at Para 24 above.

26. In case of Jumbo Share Certificate of the existing Sponsors/ Directors/ Shareholders, the said share certificates shall be kept under custody of a security custodian bank registered with SEC during the lock-in period. The name and branch of the bank shall be furnished to the Commission jointly by the

issuer and the issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s).

27. In case of dematerialization of shares held by the existing Sponsors/ Directors/ Shareholders, the copy of dematerialization confirmation report generated by CDBL and attested by the managing director of the company along with lock-in confirmation shall be submitted to SEC within one week of listing of the shares with the stock exchange(s).
28. The company and the issue manager shall inform SEC about which stock exchange they have applied for listing within 5 (five) days of publication of prospectus and disclose it in the abridged version of the prospectus.
29. The company shall not declare any benefit other than cash dividend based on the financial statement for the year ended 31<sup>st</sup> December 2004.

#### **Part -B**

1. The issue manager (i.e., AAA Consultants & Financial Advisers) shall ensure that the prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published prospectus on the date of publication with the prospectus, as vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus, jointly inform the Commission in writing that the published prospectus is a verbatim copy of the prospectus vetted by the Commission.
4. The company and the issue manager shall simultaneously submit to the Commission an attested copy of the application filed with the stock exchange(s) for listing of the securities.
5. The fund collected through IPO shall not be utilized prior to listing with stock exchange and that utilization of the said fund shall be effected through banking channel, i.e. account payee cheque, pay order or bank draft etc.
6. The company shall not account for any upward revaluation of its fixed assets creating reserve without prior permission from the Securities and Exchange Commission.
7. The company and the issue manager shall jointly furnish report to the Commission on utilization of IPO proceeds within 15 days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
8. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).

9. Proceeds of the IPO shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the EGM under intimation to SEC and stock exchange(s).
10. **Directors on the company's Board:** This will be in accordance with the applicable laws, rules and regulations.

### **PART-C**

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

### **PART-D**

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without beneficial owner account (BO account).

2. The issue manager shall also ensure due compliance of all above.

### **GENERAL INFORMATION**

**AAA** Consultants & Financial Advisers has prepared this Prospectus from information supplied by Asia Pacific General Insurance Company Limited (the Company) and also several discussions with Chairman, Managing Director and related executives of the Company. The Directors of both Asia Pacific General Insurance Company Limited and **AAA** Consultants & Financial Advisers collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or **AAA** Consultants & Financial Advisers.

The Issue as contemplated in this document, is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus can be obtained from the Head Office of Asia Pacific General Insurance Company Limited, **AAA** Consultants & Financial Advisers, the underwriters and the Stock Exchanges where the securities will be traded.

## DECLARATION

### DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS AND OFFICERS OF THE COMPANY "ASIA PACIFIC GENERAL INSURANCE COMPANY LTD." IN RESPECT OF PROSPECTUS.

This Prospectus has been prepared, seen and approved by us and we collectively and individually accept full responsibility for the authenticity and accuracy of the statement, information given in the Prospectus, documents, financial statements exhibits, annexures, papers submitted to the Commission in support thereof; and confirm, after making all reasonable inquiries, that all conditions and requirements concerning this Public Issue and Prospectus have been met, and that there are no other information or documents the omission of which make any information or statements therein misleading, for which the Commission may take any civil, criminal or administrative action against us as it may deem fit.

We also confirm that full and fair disclosure has been made in this Prospectus to enable the investors to make an informed decision for investment.

Sd/-  
(A.H.M. Mustafa Kamal, FCA)  
Chairman

Sd/-  
(Aftab ul Islam, FCA)  
Sr. Vice Chairman

Sd/-  
(Wahidul Haque Siddiqui)  
Vice Chairman

Sd/-  
(Gazi A.Z.M. Shamim)  
Vice Chairman

Sd/-  
(Mrs. Kashmiri Kamal)  
Director

Sd/-  
(Ms. Kashfi Kamal)  
Director

Sd/-  
(Moynul Haque Siddiqui)  
Director

Sd/-  
(Md. Shahjahan Miah)  
Director

Sd/-  
(Mohd. Habib Ullah)  
Director

Sd/-  
(Golam Kabir Chowdhury)  
Director

Sd/-  
(Iqbal Kabir Chowdhury)  
Director

Sd/-  
(Abdul Haque)  
Director

Sd/-  
(Shah Abul Kashem)  
Managing Director

Sd/-  
(Mr. Mohammed Hossain)  
Additional Managing Director

Sd/-  
(Mr. Chowdhury A.S. Mahabub,  
Madina)  
Deputy Managing Director

Sd/-  
(M. Motiar Rahman)  
General Manager

Sd/-  
(KM. Hafizur Rahman)  
Deputy General Manager

Sd/-  
(Md. Zahirul Islam)  
Asst. General Manager

Sd/-  
(Joy Bijoy Saha)  
Asst. General Manager

Sd/-  
(Md. Imrul Hasan Khan)  
Asst. General Manager

**CONSENT OF DIRECTOR(S) TO SERVE AS DIRECTOR(S)**

We hereby agree that we have been serving as Director(s) of Asia Pacific General Insurance Company Ltd. and continue to act as a Director of the Company.

Sd/-  
(A.H.M. Mustafa Kamal, FCA)  
Chairman

Sd/-  
(Aftab ul Islam, FCA)  
Sr. Vice Chairman

Sd/-  
(Wahidul Haque Siddiqui)  
Vice Chairman

Sd/-  
(Gazi A.Z.M. Shamim)  
Vice Chairman

Sd/-  
(Mrs. Kashmiri Kamal)  
Director

Sd/-  
(Ms. Kashfi Kamal)  
Director

Sd/-  
(Moynul Haque Siddiqui)  
Director

Sd/-  
(Md. Shahjahan Miah)  
Director

Sd/-  
(Mohd. Habib Ullah)  
Director

Sd/-  
(Golam Kabir Chowdhury)  
Director

Sd/-  
(Iqbal Kabir Chowdhury)  
Director

Sd/-  
(Abdul Haque)  
Director

Sd/-  
(Shah Abul Kashem)  
Managing Director

**DECLARATION ABOUT FILING OF PROSPECTUS WITH  
THE REGISTRAR OF JOINT STOCK COMPANIES**

A dated and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required by Section 138 (1) of the Companies Act, 1994 on 28<sup>th</sup> June 2005 vide Receipt No 0028271.

**DECLARATION BY THE ISSUER ABOUT THE APPROVAL  
FROM SEC FOR ANY MATERIAL CHANGES**

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Issuer

Sd/-  
Managing Director  
Asia Pacific General Insurance Company Ltd.  
Dated: 25<sup>th</sup> day of April, 2005.

**DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL FROM SEC FOR ANY MATERIAL CHANGES  
REGARDING PROSPECTUS OF ASIA PACIFIC GENERAL INSURANCE CO. LTD.**

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-  
Khwaja Arif Ahmed  
Managing Partner & CEO  
AAA Consultants & Financial Advisers  
Dated: 20<sup>th</sup> day of April, 2005.

**DUE DILIGENCE CERTIFICATE OF THE ISSUE MANAGER**

To  
The Chairman  
Securities and Exchange Commission  
Jiban Bima Tower (15<sup>th</sup>, 16<sup>th</sup> & 20<sup>th</sup> Floor)  
10, Dilkusha C/A  
Dhaka-1000.

**Sub: Public Issue of 1,050,000 Ordinary Shares of Taka 100.00 each at par by Asia Pacific General Insurance Company Ltd.**

Dear Sir

We, the under-noted Issue Manager to the above mentioned forthcoming Issue, state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said Issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and discussion with the Company, its directors officers and other agencies; independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the Company;

**WE CONFIRM THAT:**

- a. The draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers to the Issue;
- b. All the legal requirements connected with the said Issue have been duly complied with; and
- c. The disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well-informed decision as to investment in the proposed Issue.

For Manager to the Issue

Sd/-  
Khwaja Arif Ahmed  
MANAGING PARTNER & CEO  
AAA Consultants & Financial Advisers  
Dated: 20<sup>th</sup> day of April, 2005

**DUE DILIGENCE CERTIFICATE OF THE UNDERWRITERS**

To  
The Chairman  
Securities and Exchange Commission  
Jiban Bima Tower (15<sup>th</sup>, 16<sup>th</sup> & 20<sup>th</sup> Floor)  
10, Dilkusha C/A  
Dhaka-1000.

**Sub: Public Offer of 1,050,000 Ordinary Shares of Taka 100.00 at par by Asia Pacific General Insurance company Limited as per SEC's guideline, 50% of the Public Offer viz, 525,000 ordinary shares of TK. 100 each are underwritten.**

Dear Sir

We, the under-noted Underwriter(s) to the above mentioned forthcoming Issue, state as follows:

1. We, while underwriting the above mentioned Issue on a firm commitment basis, have examined the draft Prospectus, other documents and materials as relevant for our underwriting decision; and
2. On the basis of such examination, and the discussion with the Company; its directors and other officers, and other agencies; and the contents of the documents and other materials furnished by the Company, and our underwriting agreement(s) dated 21<sup>ST</sup> April 2005\*.

WE CONFIRM THAT:

- a. All information relevant for our underwriting decision has been received by us and that the draft Prospectus forwarded to the Commission has been approved by us;
- b. We shall take up on payment any under-subscribed Securities against the above-mentioned Public Issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- c. This underwriting commitment is unequivocal and irrevocable

For Underwriter(s)

Sd/-

MD/DMD/FD&CS/CEO/Director

Southeast Bank Limited	Bay Leasing & Investment Ltd.
Export Import Bank of Bangladesh Ltd.	Banco Trans World (BD) Ltd.
Fidelity Assets & Securities Co. Ltd.	Swadesh Investment Management Ltd.
Raspit Securities and Management Ltd.	Grameen Capital Management Ltd.
Equity Partners Ltd.	Green Delta Insurance Co. Ltd.

\* Date of Underwriting Agreement of Fidelity Assets & Securities Co. Ltd, Banco Trans World (BD) Ltd, and Raspit Securities and Management Ltd are 3<sup>rd</sup> May 2005; And Equity Partners Ltd is 23<sup>rd</sup> May 2005,

## RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT RISK

The company is operating in a field involving a great deal of external/internal risk factors and the management of Asia Pacific General Insurance perceives the risk factors which are as follows simultaneously: -

- ✍ Investors should keep in mind that there is a difference between equity securities and debt securities. As a residual owner, the claim of an equity shareholder comes last and in an extreme situation he/she may lose his/her entire investment.
- ✍ APGICL Management is aware about the equity shareholder's position of getting their respective claims and believes that this kind of extreme situation would not arise.
- ✍ Any structural change in the international insurance business adversely affecting reinsurance operations may have negative impact on the profitability of the company.
- ✍ The history of insurance/re-insurance business for over two hundred years proves that any major structural change affecting our reinsurance business is unimaginable. Any such event would create a global destabilization which the major economies must not cause to happen.
- ✍ The coverage of natural calamities like cyclone, flood by insurance may severely weaken the financial strength of the company by accruing heavy claims on its own retained account.
- ✍ The estimated losses arising from natural calamities are covered by higher rates of premium and reinsurance coverage for such losses. Management has taken into consideration statistical assessment of occurrence of natural calamities in setting its rates of premium and reinsurance risk.
- ✍ Government policy change in respect of rates of premium, underwriting commission, agent's commission, reinsurance commission, interest on deposits etc. may affect income and profitability.
- ✍ The government, who is the owner of Sadharan Bima Corporation, is not expected to change policies relating to insurance requirement affecting the income of the insurance companies without proper consequential relief for self-interest.
- ✍ Liberalization of permission to set up more insurance companies by government may result in severe competition amongst insurers reducing premium income and profitability.
- ✍ Though liberalization of insurance policy by government may be encouraging to new entrants resulting tough competition, APGICL does not apprehend any loss of business due to its competent management team and expanding trend of insurance business in the country. APGICL has already proved its leading role by its attractive earning performance.
- ✍ Political and social condition may affect the smooth functioning as well as drastic fall to the value of its investments.
- ✍ APGICL Management has been very selective in its investment decisions which have already produced positive results. It feels government will not create any situation leading to abrupt losses of investments, especially when industrial output is showing signs of growth.

☞ Turnover of senior level professionals in large numbers due to establishment of new insurance companies may cause business losses affecting shareholders' interest.

☞ Adequate expertise is a comparative issue. APGICL feels that it has adequate efficiency and highly experienced manpower and would enhance its technology level with the demand of time. Availability of skilled human resource is a national constraint but APGICL has been addressing this aspect by focusing on training and offering lucrative emoluments and service benefit.

☞ As per audited financials of December 31, 2004 APGICL earned a net profit of Tk. 11,325,968 which included an interest income of Tk. 7,232,065 (63.85%) against fixed deposit made with the bank. The income on fixed deposit may fall with the reduction of commercial banks' fixed deposit rate as per current trend.

☞ If the income on fixed deposit will fall the company will find better alternative for investment of its surplus fund. However recently interest rate on fixed deposit is very much attractive.

☞ In the year 2004 the company did not maintain any reserve for exceptional losses (10% of the net premium) if such reserve provisioned it would have not been possible to declare cash dividend @10%.

☞ Making provision of reserve for exceptional loss is not mandatory as per Insurance Act 1938. Generally this provision is made to reap the tax benefit. The company emphasizes on declaration of dividend with a view to enhance benefit to the shareholders against their investment.

### **USE OF PROCEEDS**

The Company offers its shares to the public as required by the Insurance Act, 1938 and Insurance Rules, 1958. The sponsors have already subscribed their portion of equity capital of Tk.70.00 million as per the requirement of the Rules and the same has already been invested as reflected in the audited accounts. The proceeds of the present issue of 1,050,000 shares of Tk. 100.00 each at Tk. 105,000,000.00 will strengthen the capital base of the Insurance and augment business expansion. The fund thus raised through public issue will be used for investment.

## **EQUITY FORMATION**

### **AUTHORISED CAPITAL**

5,000,000 ordinary Shares of Tk. 100.00 each Tk. 500,000,000.00

### **PAID UP CAPITAL**

#### **Issued**

700,000 Ordinary Shares of Tk. 100.00 each have already been subscribed for and paid up in cash in full by the Sponsors. Tk. 70,000,000.00

#### **Issued as IPO**

1,050,000 Ordinary Shares of Tk. 100.00 each at par are being hereby offered to the General Public for Subscription in cash. Tk. 105,000,000.00

#### **After IPO**

**Tk. 175,000,000.00**  
**0**

### **IPO EXPENSES**

Detail of estimated Public Issue expenses are shown below:

<b>Particulars</b>	<b>Amount in</b>
Manager to the Issue fee	787,500.00
Underwriting Commission (0.30% of the underwritten amount of Tk. 52.50 million)	157,500.00
Application Fee (Securities & Exchange Commission)	10,000.00
Fees to Securities & Exchange Commission (0.30% of Tk. 105.00 million)	315,000.00
Brokerage Commission (Assumed 1% of 10% of Tk. 105.00 million)	105,000.00
Banker to the Issue (Assumed 0.25% of Tk. 105.00 million)	262,500.00
Listing fee to DSE or CSE (0.25% on Tk. 175 million)	437,500.00
Printing of Prospectus (Cost or at actual)	100,000.00
Advertisement in one daily newspaper (full prospectus) (cost or at actual)	350,000.00
Advertisement of abridged version of prospectus and notices etc (cost or at actual)	100,000.00
Arrangement of Lottery	60,000.00
CDBL related expenses	76,250.00
Post Issue Expenses (estimated or at actual)	400,000.00
<b>Total</b>	<b>3,161,250.00</b>

## **DESCRIPTION OF BUSINESS**

### **(a) Corporate Status:**

The company was incorporated on 17<sup>th</sup> November 1999 under the Companies Act 1994 as a public company Limited by shares for carrying out all kinds of general insurance activities and was granted certificate for commencement of Business on 17<sup>th</sup> November 1999. The Authorised capital is Tk. 500 million consisting of 5,000,000 ordinary shares of Tk. 100 each. The sponsors/subscribers have already contributed to the paid up capital of Tk.70.00 million. In fulfillment of the conditions of license by the Chief Controller of Insurance, the company now proposes to raise the paid up capital to Tk. 175.00 million by issuing 1,050,000.00 ordinary shares of Tk. 100.00 each by way of initial public offering (IPO), which is 60% of total paid up capital.

The Company has only 2 (Two) branches throughout the country.

### **Highlight of the Issue**

The sponsor directors of the Company are engaged in various enterprises, which are a source of business for the Company.

### **Business operations:**

**(1)** The company is carrying out following types of insurance/reinsurance businesses:

- I. Fire Insurance Business
- II. Marine Insurance Business
- III. Motor Insurance Business
- IV. Miscellaneous Insurance Business

The company's operations are operates through Dhaka office and two branches which are as follows:

<b>Head Office</b> Green White Bhaban (3 <sup>rd</sup> Floor) 28, B.B. Avenue, Dhaka-1000.	<b>Agrabad Branch,</b> Osman Court (2 <sup>nd</sup> Floor), 70, Agrabad C/A, Chittagong.  <b>Narayangonj Branch,</b> Mid-Town Complex (3 <sup>rd</sup> Floor), 54, B.B. Road, Narayangonj.
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**(2)** The company does not have any associated / related company either as a subsidiary, parent or sister concern except those separate entities owned by the sponsors/Directors. The company however has business relationship with the enterprises owned by the Sponsors/Directors on commercial terms without allowing extra benefits to them other than the prevailing market rate.

There are no cross-holdings of shares amongst the companies under sponsors and the company.

**(3) Distribution of Products/Services:**

The Company conducts the business operations under the supervision of Board of Directors and the legal frame work of the Insurance Act 1938 and Insurance Rules 1958, as amended from time to time. The Company operates through the Head Office at Dhaka and two branches. The company also engages the services of research, experts and surveyors for professional assistance wherever necessary. Accounting and technical staffs provide the back office support in issuance of “Policy-Covers” and “Claim-settlements”.

**(4) Competitive conditions in the Business:**

Though, soon after liberation in 1971, the insurance industry was nationalized and was controlled by two state owned institutions namely Sadharan Bima Corporation for general insurance and Jiban Bima Corporation for life Insurance (with the exception of American Life Insurance Co. in the private sector), there are at present 43 general insurance and 17 life insurance companies operating in the private sector. Over the years general insurance business has grown very competitive as the economic growth, especially the private sector industrial growth, has not been as expected. It is however need to mention that despite tough competition, the company’s business operations show satisfactory performance. So far already 30 insurance companies have gone Public (including 6 life insurance companies) and their shares are all traded.

**(5) Raw materials:**

The Company, being a service provider, operates on the basis of professional expertise relevant to insurance industry. Its’ product is a service and its’ raw materials are human resources. The general insurance industry has since developed and expanded fast in order to meet the growing need of the economy. The company has procured the services of experienced professional personnel from the existing insurance industry operators including Sadharan Bima Corporation. The company has also set up training programs for training fresh graduates for development of its growing need of human resources.

**(6) Sources of, and requirement for, Power, Gas & Water:**

The Company does not need any power, gas and water except for ordinary uses in office work.

**(7) Customers providing 10% or more revenues:**

The Company’s customer list does not include any one providing 10% or more of its revenues.

**(8) Contract with Principal Suppliers/Customers:**

The Company has not entered into any contract with any customer or supplier.

**(9) Material Patents, Trade Marks, Licenses or Royalty Agreements:**

The Company does not have any material patents, trademarks, licenses or royalty agreement.

**(10) Employees position:**

Number of total employees as at 31<sup>st</sup> December are given below:

<b>Total Employees</b>	<b>Full time Employees</b>
<b>151</b>	<b>151</b>

All the above employee are full time.

### **DESCRIPTION OF PROPERTY**

- (1) The company, a provider of insurance service, operates through its Head Office at Dhaka, and two branches. The company owns the following fixed assets at the written down value as given below:

(As per Audited Accounts)  
(Amount in Tk)

<b>Sl no.</b>	<b>Particulars</b>	<b>As at 31 Dec, 2004 (Written Down Value)</b>
1.	Furniture & Fixture	1,992,471
2.	Office Equipment	101,334
3.	Office Decoration	4,891,878
4.	Air-Cooler	991,844
5.	Computer	165,825
6.	Vehicles	1,064,495
7.	Sundry Assets	72,891
8.	Telephone Installation	110,233
9.	Electrical Installation	1,176
10.	Crokarise	18,553
	<b>Total Assets</b>	<b>9,410,700</b>

- (2) The entire property is owned by the company and none is on lease or borrowed.  
 (3) The property of the company is not mortgaged with any one nor there any lien on them.  
 (4) The property are purchased in brand new condition

### **PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION**

#### **(1) Internal and External Sources of Cash**

(As per Audited Accounts)  
(Amount in Tk.)

<b>Internal sources of Cash:</b>	<b><u>31.12.2004</u></b>	<b><u>31.12.2003</u></b>
Share Capital	70,000,000	70,000,000
Reserves & Surplus:	200,000	1,000,000
Profit & Loss Appropriation Account	<u>97,702</u>	<u>68,420</u>
<b>Sub Total</b>	<b><u>70,297,702</u></b>	<b><u>71,068,420</u></b>
<b>External Sources of Cash:</b>		
Premium Deposits	1,468,884	3,551,572
<b>Total</b>	<b><u>71,766,586</u></b>	<b><u>74619992</u></b>

#### **(2) Material Commitment for Capital Expenditure:**

The Company has not yet made any material commitment for capital expenditure.

#### **(3) Causes for Material Changes in Income, Expenses & Net-Income:**

The company's gross premium and other income as well as operating expenses and net income have continued to change or increase due to business promotion efforts of the Directors and Management staff.

### Income

A comparative income position of the Company for the years ended on 31st December 2004, 2003, 2002 and 2001 are as follows:

(As per Audited Accounts)

(Amount in Tk.)

Description	2004	2003	2002	2001
Interest received & Accrued	7,232,065	6,721,396	6,762,866	5,812,186
Underwriting Commission			125,000	
<b>Profit/(Loss) Account From:</b>				
Fire Revenue Account	436,377	1,518,785	297,408	
Marine Revenue Account	7,808,087	4,542,233	-	
Motor Revenue Account	67,799	481,228	196,850	
<b>Total Income</b>	<b>15,544,328</b>	<b>13,263,642</b>	<b>7,382,124</b>	<b>5,812,186</b>

### Operating Expenses

A comparative operating expenses position of the Company for the years ended on 31st December 2004, 2003, 2002 and 2001 is as follows:

(As per Audited Accounts)

(Amount in Tk.)

Description	2004	2003	2002	2001
Directors' Fees	150,000	175,000	34,000	9,000
Audit Fees	65,000	57,300	10,000	10,000
Advertisement	128,703	36,250	15,900	45,738
Registration Fee	360,892	208,831	147,774	167,527
Donation & Subscription	133,339	25,000	29,000	-
Fees and Charges	71,614	22,979	28,617	-
Deferred Revenue Expenses	181,250	181,250	181,250	-
Depreciation	1,188,245	1,085,380	1,239,217	1,176,888
Legal Expenses	-	50,000	-	-
<b>Total Expenses</b>	<b>2,279,043</b>	<b>1,841,990</b>	<b>1,685,758</b>	<b>1,409,153</b>
<b>Net Profit</b>	<b>11,325,968</b>	<b>9,097,146</b>	<b>1,552,822</b>	<b>524,487</b>

#### (4) Seasonal Aspects:

There is no seasonal aspect in insurance business in the country.

#### (5) Known Trends, Events or Uncertainties

There are no known trends in customer preferences that may affect company's operations. However, political unrest, hartal, and power crisis are the known events that may affect the company's business.

## **(6) Change in the Assets of the Company used to pay off any Liabilities**

No asset of the Company has been used to pay off the liabilities.

## **(7) Loans Status**

The Company does not have any subsidiary or associate and did not take any loan from any person or organization.

## **(8) Future Contractual Liabilities**

The company does not have any plan in near future to contract any new liabilities except those that are required by way of insurance/reinsurance contract in the ordinary business operations.

## **(9) Future capital expenditure**

APGICL has planned to open 5 (five) new branches in next 1 (one) year time. The following capital expenditure has been planned to be incurred for the purpose:

<b>Sl. No</b>	<b>Items of Capital Expenditure</b>	<b>Estimated Tk</b>
01.	Computers	500,000.00
02.	Office Equipment	1,750,000.00
03.	Furniture & Decoration	1,000,000.00
04.	Advance Rent	800,000.00
	<b>Total</b>	<b>4,050,000.00</b>

## **(10) VAT, Income Tax, or other Tax Liability**

### **VAT Payment**

The company paying VAT monthly basis and no VAT is outstanding as per audited accounts as at 31<sup>st</sup> December 2004.

## **(11) Income Tax**

<b>Assessment year</b>	<b>Status</b>
2001-2002	Assessment completed with Nil Tax.
2002-2003	Assessment completed with Tax of TK. 2,20,792.00 the same was required to be paid by 15.01.03. After adjustment of advance tax DCT of LTU ordered to refund Tk. 3,79,368.00 to the company on 21.08.04.
2003-2004	Assessment completed with Tax of TK. 6,46,555.00 which was adjusted with advance paid tax and refunded Tk. 2,62,087.00
2004-2005	Tax paid TK.500,000.00 at the time of submission of return. DCT of LTU provided certificate stating that the income tax case is settled for the assessment year and no income tax is due from the company.

## **(12) Customs Duty**

Custom duty is not applicable for the company.

## **(13) Sources for payment of VAT, income tax, customs duty or other tax liability**

In case of pending VAT is payable by the company than it would be paid from the regular premium income. Payable tax will be paid against provision for tax.

#### **(14) Personnel Related Scheme:**

The Company considers its human resources as the most valuable asset of the Company and has been continuing to train, equip, and groom fresh recruits for building a strong foundation. In order to enhance and advance the professional ability and knowledge of the employees, regular training programs are organized at different professional institutions. Besides, APGICL has a well-designed Compensation Plan for attracting highly skilled professional staff with high degree of integrity. Employee performance is regularly evaluated and a good number of them have been promoted as reward for their good contribution to the Company. The company has introduced schemes of festival bonus.

#### **(15) Operational Lease**

The company has established its Head Office as well as the branches on leased accommodation as follows:

<b>Particulars of Leased Premises</b>	<b>Area(sft.)</b>	<b>Period of Lease</b>	<b>Rent per sft. Tk.</b>	<b>Monthly amount</b>	<b>Advance outstanding on 31-12-2004</b>
<b>Head Office</b> Green White Bhaban (3 <sup>rd</sup> Floor) 28, B.B. Avenue, Dhaka-1000.	3750	5 years	@10.00	37,650/=	46,170.00
<b>Agrabad Branch,</b> Osman Court (2 <sup>nd</sup> Floor), 70, Agrabad C/A, Chittagong.	567	3 years	@17.75	10,064/=	29,040.00
<b>Narayangonj Branch,</b> Mid-Town Complex (3 <sup>rd</sup> Floor), 54, B.B. Road, Narayangonj.	1200	5 years	@10.00	12,000/=	154,800.00

#### **(16) Financial/Lease Commitments:**

The company has no financial/ lease commitment.

#### **(17) Revaluation of Company's Assets & Summary Thereof**

No revaluation has been made to the Company's assets and liabilities.

#### **(18) Transaction between Holding Company and the Issuer**

APGICL has no subsidiary Company. Hence no transaction has taken place.

#### **(19) Break Down of Expenses for Issue Manager and Underwriters**

Following is the amount to be paid to the Issue Manager and Underwriter:

- 1) Issue Management Fee Tk. 7,87,500
- 2) Underwriting commission Tk. 157,500.00 being 0.30% on the amount of Tk. 52,500,000.00 (50% of the IPO amount). In case of under subscription take up commission @ 2.50% (maximum) on the amount 52,500,000.00 (50% of the IPO amount) will be paid to the Underwriters.

**Auditors' Certificate for Issue of shares otherwise than for cash:  
Special Auditor's Report:**

Certify that we have verified the cash book, share Register, etc. of Asia Pacific General Insurance Company Ltd. and report that the Company, Asia Pacific General Insurance Company Ltd., has not allotted/issued any share otherwise than for cash.

Sd/-  
RAHMAN MUSTAFIZ HAQ & CO.  
Chartered Accountants  
Dated: 25/05/2005

**Declaration regarding suppression of information & / or any material change.**

This is to declare that to the best of our knowledge and belief any information, facts & circumstance, which are disclosable has not been suppressed that can change the terms and conditions under which the offer has been made to the public.

Sd/-  
Managing Director  
Asia Pacific General Insurance Co. Ltd.  
Dated: 26/05/2005

**DIRECTORS' DIRECTORSHIP IN OTHER COMPANIES**

<b>Serial</b>	<b>Name and Permanent address</b>	<b>Age</b>	<b>Rank in APGICL</b>	<b>Name of the Company where he/she is also a Director or Partner</b>
1.	A.H.M Mustafa Kamal, House # CEN(D) 11, Road # 103, Gulshan Model Town, Dhaka- 1212	<b>58</b>	<b>Chairman</b>	Lotus Engineering Ltd. Lotus Bangladesh Ltd. Hardwood Dimension (BD) Ltd. Orbitals Enterprise Orbitals Travel Gulshan Medi Care CMC Kamal Textile Mills Ltd. Prolexus Lotus – Kamal Ltd. Lotus-Kamal Spinning Mills Ltd. Lotus-Kamal Knitwear Ltd. Samwon-LK Electronics Co. Ltd. LK-Cotton Mills Ltd. LK-Unitex Co. Ltd. Lotus-Kamal Pharmaceuticals Ltd.
2.	Aftab ul Islam "Asroy" 167, Cemetery Road, Bishnapur, Chotora, Comilla.	<b>55</b>	<b>Sr. Vice Chairman</b>	International Office Equipment IIT Bangladesh Ltd. ATAZ Bangladesh Ltd.
3.	Wahidul Haque Siddiqui Vill+Post: Boktopur, P.S: Chittagong.	<b>45</b>	<b>Vice Chairman</b>	Norban Fashion Limited. Norban Communications Limited BDCOM Online Limited Norban Securities Limited

			<b>n</b>	Daulatunnesa Equities Limited Hornbill Apparel Limited Nashville Printers Limited Norban Corporation Limited Norban Services Limited BDCOM Infotech Limited BDCOM Call Center Limited Global Spinning Mills Limited Embros Limited Treasure Island Limited
4.	Gazi AZM Shamim 143, Tejkunipara, Tejgaon. Dhaka	<b>52</b>	<b>Vice Chairman</b>	Daulatpur Ice & Cold Storage Ltd. Gazi Cement Mills Ltd., Techno Orient Ltd. Frankan Food Corporation Orient Export Import Co. Ltd.
5.	Mrs. Kashmiri Kamal House # CEN(D) 11, Road # 103, Gulshan Model Town, Dhaka- 1212, Bangladesh.	<b>52</b>	<b>Director</b>	Lotus Engineering Ltd. Lotus Bangladesh Ltd. Hardwood Dimension (BD) Ltd. Orbitals Enterprise Gulshan Medi Care CMC Kamal Textile Mills Ltd. Prolexus Lotus – Kamal Ltd. Lotus-Kamal Spinning Mills Ltd. Lotus-Kamal Knitwear Ltd. Samwon-LK Electronics Co. Ltd. LK-Cotton Mills Ltd. LK-Unitex Co. Ltd. Lotus-Kamal Pharmaceuticals Ltd.
6.	Kashfi Kamal Flat # 9B, House # 9, Road # 103, Gulshan, Dhaka-1212, Bangladesh.	<b>29</b>	<b>Director</b>	CMC Kamal Textile Mills Ltd. Prolexus Lotus – Kamal Ltd. Lotus-Kamal Spinning Mills Ltd. Lotus-Kamal Knitwear Ltd. Samwon-LK Electronics Co. Ltd. LK-Cotton Mills Ltd. LK-Unitex Co. Ltd. Lotus-Kamal Pharmaceuticals Ltd. Lotus-Kamal Tower ONE
7.	Moynul Haque Siddiqui Vill.: Bakhtapur, P.O.: Nanupur, P.S.: Fatikchari, Dist.: Chittagong.	<b>40</b>	<b>Director</b>	Norban Fashion Limited. Norban Communications Limited BDCOM Online Limited Norban Securities Limited Daulatunnesa Equities Limited Hornbill Apparel Limited Nashville Printers Limited Norban Corporation Limited Norban Services Limited BDCOM Infotech Limited BDCOM Call Center Limited Global Spinning Mills Limited Embros Limited Treasure Island Limited
8.	Mohd. Shahjahan Miah 228/2, West Dewbhog, Fatullah, Narayngonj.	<b>48</b>	<b>Director</b>	Shawon Textile Industries (Pvt.) Ltd. Samrat & Co. (Pvt.) Ltd. Rims Apparels Ltd. Razia Knit Garments Ltd.

				Samrat Garments Ltd. Josheb Knit Garments Ltd. Anmona Fashions Ltd. Samrat Yarn Dyeing Ltd. Alpona Chhaya Chitra Ltd. S.I. Complex Via Media Business Service (Shamoli) Ltd. Purnima Cinema Hall Samrat Cinema Hall
9.	Mohd. Habib Ullah House # 19, West Nakhalpara, Tejgoan, Dhaka.	45	<b>Director</b>	Control Union (BD) Ltd. BD Associate & Co. BD Tour & Travels Scal International (Bangladesh) Global Enterprise Technologies (Bangladesh) Control Union (BD) Ltd. (Container yard)
10.	Golam Kabir Chowdhury 10, Ring Road, Shamoli, Dhaka.	51	<b>Director</b>	Shamoli Garments Ltd. Recent Garments & Knitting Industries Ltd. Recent Sweaters Ltd. (Unit-1, 2 & 3) Monoharkhadi Cold Storage Ltd.
11.	Abdul Haque Vill: Fallkamuri, Post: Amratoli, P.S: Barura, Dist: Comilla.	53	<b>Director</b>	Haq's Bay Automobiles Ltd. Haq's Bay Service Center Haq Auto Parts Haq's Bay Econo Impex
12.	Iqbal Kabir Chowdhury 6, East Testuri Bazar, Tejgaon, Dhaka-1215.	50	<b>Director</b>	Lil Nasikko & Co.

### Officers of the Company:

Sl	Name	Position	Age	Date of joining in the company	Total years of experience
1.	Shah Abul Kashem	Managing Director	60	01-03-03	35 years
2.	Mr. Mohammed Hossain	Additional Managing Director	55	14-10-01	35 years
3.	Mr. Chowdhury A S Mahabub (Madina)	Deputy Managing Director	46	31-01-04	15 years
4.	Motiar Rahman,	General Manager	52	24-06-200	26 years
5.	Khondaker Md. Hafizur Rahman,	Deputy General Manager	58	1-11-2002	35 years
6.	Md. Zahirul Islam,	Assistant General Manager	40	5-04-2004	14 years
7.	Joy Bijoy Saha,	Asstt. General Manager	34	2-10-2000	16 years
8.	Md. Imrul Hasan Khan,	Assistant General Manager	35	2-05-2004	14 years

## Officers employed by other companies

No officer of APGICL is currently employed by any other company.

## Family Relation Between Directors & Officers:

There is no family relationship between Directors and Officers.

## INVOLVEMENT OF OFFICERS AND DIRECTORS IN CERTAIN LEGAL PROCEEDINGS

No Officer or Director of the company was involved in any of the following types of legal proceedings in the past ten years:

- 1) Any bankruptcy petition filed by or against any company of which any Officer or Director or Nominee of the company filling the prospectus was a Director, Officer or general partner at the time of the bankruptcy or within two years prior to that time;
- 2) Any conviction of an Officer, Director or Nominee in the criminal proceedings or any criminal proceedings pending against him;
- 3) Any order, judgment or decree of any Court of competent jurisdiction against Officer, Director or Nominee permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any Officer or Director or Nominee in any type of business, securities or banking activities.
- 4) Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any Officer or Director or Nominee in any type of business securities or banking activities.

## Retirement of Directors

Sl.	Name of Directors	Date of becoming First Director	Expiry of current term
1.	A.H.M Mustafa Kamal,	17-11-1999	2006
2.	Aftab ul Islam	17-11-1999	2006
3.	Wahidul Haque Siddiqui	16-11-2000	2006
4.	Gazi AZM Shamim	16-11-2000	2006
5.	Mrs. Kashmiri Kamal	17-11-1999	2006
6.	Ms. Kashfi Kamal	16-11-2000	2006
7.	Moynul Haque Siddiqui	16-11-2000	2006
8.	Mohd. Shahjahan Mia	16-11-2000	2006
9.	Mohd. Habib Ullah	16-11-2000	2006
10.	Abdul Haque	16-11-2000	2006
11.	Golam Kabir Chowdhury	16-11-2000	2006
12.	Iqbal Kabir Chowdhury	17-11-1999	2006

## Family Relationship among the Directors

Name of Director	Relation
Mrs. Kashmiri Kamal	Wife of A.H.M Mustafa Kamal
Ms. Kashfi Kamal	Daughter of A.H.M Mustafa Kamal & Mrs. Kashmiri Kamal

**CIB REPORT:**

In terms of CIB report (CIB-71/2005-8232 dated 19-05-05) of Bangladesh Bank except Mr Nasir Khan, neither Asia Pacific General Insurance Company Ltd. nor any of its Sponsors or Directors or associates is defaulter with any Bank or Financial institution. However Mr. Nasir Khan resigned from his directorship on 1<sup>st</sup> June 2005 which is accepted by the board on 4<sup>th</sup> June 2005. His entire 40,000 share have been sold to Aftab ul Islam. In this respect the company has also submitted certified copy of particular of director (From-XII) dated 19.06.2005 showing the total directors are twelve excluding Mr. Nasir Khan.

**CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS****Transaction between Company & Directors**

The transaction between the Company and Directors are disclosed in the auditors' disclosure part of the prospectus. Neither proposed any transaction nor had any transaction during the last two years with following related parties:

- (i) Executive officer of the Company
- (ii) Any nominee or director or officer.
- (iii) Any person owing 5% or more of the outstanding share capital of the Company
- (iv) Any member of the immediate family (including spouse, parents, children, and in laws) of any of the above person.

**Special Arrangement of Directors with the Company**

The Company does not have any special arrangement / commitment with its Directors and there was no such transaction during the last 3 years.

**Loan Given/Taken:**

The Company did not take or give any loan from any Director or any person connected with any Director nor did any Director or any person connected with any Director.

**Directors' Facilities during Prospectus Publication**

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility is already disclosed in Executive Compensation of the Prospectus.

**SHORT BIO-DATA OF THE DIRECTOR****01. Mr. A.H.M. Mustafa Kamal, FCA, Chairman & Sponsor Shareholder**

Mr. A.H.M. Mustafa Kamal, Chairman and CEO of Lotus-Kamal Group (LK). Mr. Kamal is a brilliant Chartered Accountant who qualified in the year 1970 from the Institute of Chartered Accountants of Pakistan occupying 1<sup>st</sup> position. After putting in about a decade's service in the profession as a Public Accountant Mr. Kamal started his business career in the year 1981 by establishing his first manufacturing unit titled Lotus Engineering Industries Ltd., a project involved in the manufacturing of Jute and Textile Mills Machinery and Spares.

Mr. Kamal has rich personal contacts apart from Bangladesh also in the Countries of Saudi Arabia, United Kingdom, Malaysia, South Korea, India and Pakistan and for a number of LK units he has either equity participation from overseas partners and / or a technical support.

Lotus-Kamal Group (LK), a business house involved in a number of business disciplines covering manufacturing, trading, services and real estate sectors. Right at the moment LK is currently consists of 19 business enterprises of which 9 are in the manufacturing, 5 in the service, 2 in the trading and the remaining 3 are in the real estate sectors.

Mr. Kamal was the CIP (Government's accreditation as a Commercially Important Person for the years 1993, 1997, 1999, 2000 and 2001). He is a author of a book in Insurance. He worked as a Public Accountants for 7 years during the period 1972-80. He worked as a Financial Consultant in the matters related to project Evaluation (Financial, Economical) Fact Finding Studies, etc.

He also worked as a local counter part on behalf of Bangladesh Government in a number of projects in association with overseas consultants such as M/s. Agro Progress GmbH, Germany, M/s. P A Management Consultants Limited, England, etc. He has traveled extensively almost all parts of the World.

Other interest of Mr. Kamal:

- ? Former Member of Parliament, Bangladesh National Parliament, Government of the People's Republic of Bangladesh.
- ? Former Senate Member, Chittagong University.
- ? Former Member, Bangladesh Academy for Rural Development (BARD).
- ? Former Member, Public Accounts Committee, Bangladesh National Parliament.
- ? Former Member, Board of Investment (BOI), Government of the People's Republic of Bangladesh.
- ? Former Member, Standing Committee of Ministry of Finance, Bangladesh National Parliament.
- ? Active Member to a number of Trade Organizations and / or Sports / Social bodies:
  - ✍ Director, Abahani Limited (A Premier Sporting Club in the Country).
  - ✍ Chairman, Abahani Cricket (A Premier Sporting Club in the Country).
  - ✍ Donor Member, Gulshan Club Limited
  - ✍ Member, Dhaka Club Limited
- ? Executive Member, Bangladesh Association of International Recruiting Agencies (BAIRA).
- ? Member, Association of Travel Agency in Bangladesh (ATAB).
- ? Former Director of Dhaka Commerce College, Dhaka.
- ? President, Bangladesh Shuttle Manufacturers Association.
- ? President, Chittagong Government Commerce College Alumni Association.
- ? Sponsor of Lotus-Kamal 2<sup>nd</sup> Division Cricket League, Dhaka.
- ? Sponsor of Lotus – Kamal Cricket Fast Bowling Training Academy.

## **02. Mr. Aftab ul Islam, FCA Sr. Vice Chairman & Sponsor Shareholder**

Mr. Aftab ul Islam, FCA was born in November 18, 1950. He is a Chartered Accountant and Fellow of the Institute of Chartered Accountant of Bangladesh, he also did the LLB from the Dhaka University. He started his career with Multi National Company of USA origin, NCR Corporation, specializing in Information Technology in 1976. By dint of his commendable sense of integrity, Management skill, adaptability he steadily rose from first tier Management to the rank of Country Manager within a short span of time and contributed his mite in establishing a base for the subsequent mini-surge of IT in Bangladesh. Commenced own business in information technology in software development in 1992. At present he is the President and CEO of International Office Equipment a leading business house of office automation products. He is the Chairman of IIT Bangladesh Ltd.

As past president of DCCI and BCS (IT Association of Bangladesh) Mr. Islam played the pivotal and pioneering role in establishing the public and private sector relation for promotion of trade and commerce of the Country in one hand and on the other in development and enhancement of IT Sector. He is the President of American Chamber of Commerce in Bangladesh (AmCham). He has been elected as Vice President of FEMA & also the member of the Board of Governor of Institute of Business Administration

(IBA) University of Dhaka Bangladesh. He is a business expert of rare quality having innovative and dynamism. He is involved with so many social and humanitarian organizations like Rotary, Red Cross Society ABC (Assistant for blind Children) etc. He is also associated with some other organizations as active member like Dhaka Club Ltd., Gulshan Club Ltd. & Kurmitola Golf Club.

### **03. Mr. Wahidul Haque Siddiqui, Vice Chairman & Sponsor Shareholder**

Mr. Wahidul Haque Siddiqui S/o, Late Nazmul Haque Siddiqui and Late Daulatunnesa Siddiqua was born in December 1961. He comes of a respectable Muslim family of Chittagong district. He did his graduation in Commerce from the Dhaka University. After graduation he started business in 1986. By virtue of his hard work and devotion he became successful in business arena within a short span of time. Mr. Wahidul Haque Siddiqui established Norban Fashion Ltd. a well reputed Garments Buying House in Bangladesh. He is one of the renowned marketing expert in Garments Buying House area in Bangladesh.

Over a decade he expanded business in different areas with at least 15 Companies in the Group named Norban Fashion Ltd., Norban Communications Ltd., Norban Corporation Ltd., Norban Securities Ltd. (member of Chittagong Exchange Ltd.), Norban Services Ltd., Nashville Printers Ltd., BDCOM Online Ltd., BDCOM Infotech Ltd., BDCOM Call Center Ltd., Global Spinning Mills Ltd., Hornbill Apparel Ltd., Daulatunnesa Equities Ltd.(member of Dhaka Stock Exchange Ltd.), Embro Ltd., Treasure Planet Ltd., Treasure Island Ltd. & presently Norban Group is doing business in readymade Garments manufacture, export, buying house, textile, Insurance, real estate and many others. He is also a Director of Norban Group.

Mr. Wahidul Haque traveled many Countries extensively in connection with the development of business. He is closely associated with some social organizations and always come forward with helping hand to the poor and needy people. He is also the member of Kurmitola Golf Club and Uttara Club Ltd.

### **04. Mr. Gazi A.Z.M. Shamim, Vice Chairman & Sponsor Shareholder**

Mr. Gazi A.Z.M. Shamim S/o, Late Gazi Abdul Gani was born in November 21, 1953 in Vikrampur, District Munshigonj. He comes of a respectable family. He obtained M.Com (Finance) Degree from Dhaka University in the year of 1975. He started his business career in 1975 and established various business Enterprises, like Daulatpur Ice & Cold Storage Ltd., Techno-Orient Ltd., Orient Export Import Co. Ltd. and Gazi Cement Mills Ltd. etc. He is a man of reputed business personality. He is a life member of National Heart Foundation of Bangladesh. He has long 30 years business experience. He traveled different Countries of the World in connection with the business.

### **05. Mrs. Kashmiri Kamal, Director & Sponsor Shareholder**

Mrs. Kashmiri Kamal who holds Graduation Degree with Honours and also a Post Graduate Degree in the discipline of Accounting. She has also completed the Article-ship of Chartered Accountants Course. She is actively involved in the day to day business operations of Lotus-Kamal Group. At present she is the Deputy Chairman of the LK Group. In addition to this she is also acting as the Director Operation of Gulshan Medicare and LK Unitex Co. Ltd. She has widely traveled almost all parts of the Globe.

### **06. Ms. Kashfi Kamal, MBA (USA) Director & Sponsor Shareholder**

Ms. Kashfi Kamal, elder daughter of Mr. Mustafa Kamal is an MBA from USA. She is one of the Directors of Lotus-Kamal Group. And in this capacity she is actively involved in day to day business affairs of the Group. In addition to this, as Director Operation she is also directly responsible for the Management of the units Orient Education Services and Lotus –Kamal Knitwear Ltd. she has widely traveled many a Countries of the World.

### **07. Mr. Moynul Haque Siddiqui, Director & Sponsor Shareholder**

Mr. Moynul Haque Siddiqui S/o, Late Nazmul Haque Siddiqui and Late Daulatunnesa Siddiqua was born in February 1965. He comes of a respectable Muslim family of Chittagong district. He did his graduation in Commerce from the Dhaka University. After graduation he started business in 1986. By virtue of his hard work and devotion he became successful in business arena within a short span of time. Mr. Moynul Haque Siddiqui established Norban Communications Ltd. a high profile communication network Company which provides backbone infrastructure to many corporate and network service providers.

Over a decade he expanded business in different areas with at least 15 Companies in the Group named Norban Communications Ltd., Norban Fashion Ltd., Norban Corporation Ltd., Norban Securities Ltd. (member of Chittagong Exchange Ltd.), Norban Services Ltd., Nashville Printers Ltd., BDCOM Online Ltd., BDCOM Infotech Ltd., BDCOM Call Center Ltd., Global Spinning Mills Ltd., Hornbill Apparel Ltd., Daulatunnesa Equities Ltd.(member of Dhaka Stock Exchange Ltd.), Embro Ltd., Treasure Planet Ltd., Treasure Island Ltd. & presently Norban Group is doing business in readymade Garments manufacture, export, buying house, textile, Insurance, real estate and many others. He was a Director of First Security Bank Ltd. He is also a Director of Norban Group.

Mr. Moynul Haque traveled many Countries extensively in connection with the development of business. He is closely associated with some social organizations and always come forward with helping hand to the poor and needy people. He is a member of Chittagong Club.

### **08. Md. Shahjahan Miah, Director & Sponsor Shareholder**

Mr. Md. Shahjahan Miah, son of Late Samsul Alam Master and Mrs. Karuna Begam was born in 2<sup>nd</sup> January 1957. He comes from a respectable Muslim family of Narayngonj District. After complete the academic education he started business in 1985. By virtue of his hard working and devotion he became successful in business area within a short span of time. Mr. Shahjahan Miah established Samrat Group, a well-reputed group in Knit Garments Manufacturer & Exporter and amusement section in Bangladesh.

Over a decade he expanded business in different areas with at least 13<sup>th</sup> companies and Partnership Firm in the group named Shawon Textile Industries (Pvt.) Ltd., Smrat Garments Ltd., Josheb Knit Garments Ltd., Anmona Fashions Ltd., Samrat Yarn Dyeing Ltd., Alpona Chhaya Chitro Ltd., (Cinema Hall), Via Media Business Service (Shamoli) I. (Amusement Park) Purnima Cinema Hall, Samrat cinema Hall and S.I Complex (Cinema Hall).

Mr. Md. Shahjahan Miah traveled many countries extensively in connection with the development of business. He is closely associated with some social organizations and always come forward with helping hand to the poor and needy people.

### **09. Mr. Mohd. Habib Ullah, Director & Sponsor Shareholder**

Mr. Mohd. Habib Ullah S/o, Late Mohd. Majib Ullah was born in 1960 in the District of Dhaka. He comes from respectable family. He obtained the B.Sc (Hons) Degree in Physics from Dhaka University. Experienced from overseas having gathered knowledge working with UNIDO Head Office VIENNA, later on commenced his business career in the year 1988 with establishment of B.D Associates & Co. (engaged in International Trading, Supply, Monitoring, Supervision & Turn-key Projects for Power & IT Sector etc.), Control Union BD Ltd., International Pre-shipment Inspection Company his Head Office based in Rotterdam, the Netherlands, SKAL International (Bangladesh) Export & certify organic product on Europe, USA Head office in Rotterdam, the Netherlands, Global Enterprise Technologies (Bangladesh) Modern Traffic System, Passport Systems, National ID Card, Documents Management, Telecommunication, Secure Documents Issuance etc. with head office in Washington, USA and Control Union BD Ltd. (Division of Customs/ Land Port Development on BOT basis / Collateral Management) etc.

His business is mainly involved with import including International Trading, Monitoring of Turnkey projects i.e. Civil Aviation / Airlines / Power Sector / Telecommunication & IT. He is a established businessman of high caliber with an ambition for National interest and development. Mr. Habib Ullah is also a man of personality. He is a life member of Rate Payers Association of Dhanmondi, Dhanmondi

Recreation Club (DRC), Dhanmondi Sport Club and member of Uttara Club Ltd., who has traveled World wide to attend various business meetings, International Conference, Seminar, Symposium etc.

### **10. Mr. Golam Kabir Chowdhury, Director & Sponsor Shareholder**

Mr. Golam Kabir Chowdhury was born in January, 1954. He comes from a respectable family. He did his graduation in Arts from Dhaka College. He started his career as Businessman and established various business enterprises in different Sectors. Specially in Garments sector his involvement is very big and yearly volume of export is US\$ 30 millions. He is holding the status of CIP for last 5 years for his remarkable contribution in export business. He is the Managing Director of Shamoli Group of Companies and Monoharkhadi Cold Storage Ltd., Baburhat, Chandpur. He is also involved with so many social and philanthropic activities in his locality.

### **11. Mr. Abdul Haque, Director & Sponsor Shareholder**

Mr. Abdul Haque was born in March 1952 in the district of Comilla. He comes of a respectable family. He started his career as businessman. He is a qualified and most experienced man in the field of business. He is the Managing Director of Haq's Bay Automobiles Ltd. a leading business enterprise in the automobile field. He is associated with various types of business enterprises, trading and social organization. He is the former and present Chairman, Co-Chairman, Managing Director, Director & Members of a good number of private and public Organizations. He has various publications of articles in his Credit nationally and internationally. He took the leadership of business Delegations to different Countries of the World. He traveled widely almost all over the World. He is the honorary Consult of the Republic of Djibouti in Dhaka, Bangladesh. He is also associated with many social and humanitarian Organizations.

### **12. Iqbal Kabir Chowdhury, Director & Sponsor Shareholder**

Mr. Iqbal Kabir Chowdhury S/o, Late Advocate Humayun Kabir Chowdhury of Dhaka Bar. He was born in 1955 in Comilla Town. He comes of a respectable family of Village Payalgacha of Comilla district. He had all his education at Dhaka City. He obtained graduation degree from University of Dhaka. After his formal education he served in distinguished multi national Companies like Rhone Poulence, James Finlay & NCR Corporation etc. He started his own business in 1983 and at present is the CEO of LIL NASIKKKO & CO. He is also a sponsor Director of APGIC. As a keen sportsman Mr. Iqbal Kabir Chowdhury represented his school college and University in soccer. He is an active member of Rotary Club of Dhaka North and Bangladesh Planters Club. He has visited India, UK & USA.

## **EXECUTIVE'S PROFILE**

### **01. Mr. Shah Abul Kashem, Managing Director**

Mr. Shah Abul Kashem was born in 1944 and comes from a respectable Muslim family of Khulna District. He obtained graduation degree in Commerce from Azam Khan Commerce College in the year 1968 under Rajshahi University. He started his insurance career in the year 1970 as a Branch Incharge of the then Eastern Mercantile Insurance Co. Ltd. which subsequently absorbed with Sadharan Bima Corporation (SBC). Accordingly Mr. Kashem's service also absorbed with SBC as Assistant Manager in 1973 where he served for long 28 years in the different division and lastly hold the position of General Manager and then retired from the service of Sadharan Bima Corporation in the year 2001. Thereafter he joined in the service of Asia Pacific General Insurance Company Ltd. as Managing Director in the year 2003 and serving there as yet.

Mr. Shah Abul Kashem is a freedom fighter who had been actively played important role in the Liberation Movement of Bangladesh. He is associated with so many Professional, Social, Religious and humanitarian Organizations, like the Executive member of the Bangladesh Insurance Association, Sr. Vice President of St. Joseph's Old Student Association, member of the Executive Committee of Banani Jam-e-Masjid and

General Secretary Banani Nagorik Kallyan Samity, Dhaka. Besides these he is a former Executive member of Central Rating Committee under Chief Controller of Insurance, former Joint Secretary & Treasurer of Bangladesh Football Federation & played an important and active role in the Sports sector of Bangladesh for long 30 years. He represented Bangladesh in 1990 World Cup, Football and in this connection he traveled Italy, Brazil, Thailand, Iraq, Saudi Arabia, Abudhabi, Qatar, Malaysia and many other Countries of the World. Mr. Shah Abul Kashem is a man of personality & dynamism. By dint of his commendable and skilled Management, Asia Pacific General Insurance Company Limited growing steadily day by day.

## **02. Mr. Mohammed Hossain, Additional Managing Director**

Janab Mohammed Hossain, Additional Managing Director was born in 1949. He comes of a very respectable Muslim family of Bikrampur. He started his Insurance Career in the year 1968 with the then East Pakistan Co-operative Insurance Society Ltd. Subsequently he joined in the Sadharan Bima Corporation in 1973 and served their for long 15 years in the different Divisions and branches. Thereafter joined in the Rupali Insurance Co. Ltd. in 1988 as Assistant General Manager & In-charge of Underwriting (specialized) Re-Insurance and Claims Department and elevated to the rank of Deputy Managing Director. In the year 2000 joined in the Islami Commercial Insurance Co. Ltd. as Additional Managing Director and thereafter joined in the service of Asia Pacific General Insurance Co. Ltd. in 2001 as Additional Managing Director. He has vast experience in Insurance.

## **03. Mr. Chowdhury A.S. Mahabub (Madina), Dy. Managing Director**

Mr. Chowdhury A.S. Mahabub (Madina) S/o, Late Al-Haj Abdul Khaleque Chowdhury Deputy Managing Director was born in September 1959 in the District of Chandpur. He comes of a very respectable Muslim family of Chandpur District. He obtained the degree in Bachelor of Commerce. He joined in the service of Insurance Company in the year 1993 in the Federal Insurance Co. Ltd. as Senior Assistant Vice President and joined Dosh Insurance Co. Ltd. as General Manager and Branch In-charge in 2000. Thereafter in the year 2004 he joined in the service of Asia Pacific General Insurance Company Ltd. as Deputy Managing Director. He possess vast experience in Insurance profession.

## **04. Mr. Motiar Rahman, General Manager**

Mr. Motiar Rahman, General Manager born in June 1952 in the district of Chuadanga. He obtained the Bachelor Degree in Social Science. He started his Career as a Banker in 1972 with Janata Bank. In 1977 he joined erstwhile Bank of Credit and Commerce International (overseas) Ltd. (BCCI) & served there for long 15 years in different section in the Main office, Dhaka. Lastly he served at Sonargaon Hotel Booth as In-charge where he came in contact with Multi National and Corporate Customers. After closer of BCCI in 1991, he joined in the Eastern Bank Ltd. and served in Marketing and General Banking Division, head office Dhaka customer service Department in Principal Branch office, Dhaka. He has vast experience in Banking services and have created a good friend circle in the Banking field. Joined in the Asia Pacific General Insurance Company Limited in the year 2000 as Manager. By virtue of his tireless efforts and endeavour within a very short span of time he rose to the position of the General Manager of the Company and have earned a good reputation in the insurance profession as well. He is a man of very pleasing personality. Mr. Rahman visited foreign Countries such as, England, Holland, USA, Belgium, France, HongKong, Thailand, Singapore, India, Abudhabi & Saudi Arabia on different occasions.

## **05. Mr. Khondaker Md. Hafizur Rahman, Deputy General Manager.**

Mr. Khondaker Md. Hafizur Rahman was born in 1946 and comes from a respectable Muslim family of Pabna district. He obtained the degree of Master of Commerce in Accounting in 1970 & LLB in the year 1979. He started his career as Lecturer in Accounting in 1972 and served up to 1983. Thereafter he joined in the legal profession in 1984 as an Advocate & attached with legal profession up to 1991. And then he joined in the General Insurance service at Rupali Insurance Co. Ltd. as Manager Law in 1992 and promoted to Senior Manager. After that he joined in the service of Janata Insurance Co. Ltd. as Asstt. Vice President-A in 1998 and promoted to Vice President. Lastly, he joined in the service of Asia Pacific General

Insurance Co. Ltd. as Deputy General Manager in the year 2002 as an In-charge of Claims and law department with special assignment of the service of Company Secretary and serving there as yet.

Mr. Khondaker is a well-experienced Insurance personalities he has participated several training course / programme under Bangladesh Insurance Academy and awarded with 'A' grade Certificate. He is involved in social and humanitarian organizations of his locality.

**06. Mr. Md. Zahirul Islam, Assistant General Manager**

Mr. Md. Zahirul Islam S/o, Dr. Wahidur Rahman was born in April 1965 in the District of Laxmipur. He obtained graduation in Science in 1990 from Chittagong University. He started his career with Rupali Insurance Co. Ltd. and served there from September 1991 to August 2000. After that he joined in the service of Islami Commercial Insurance Co. Ltd. as Manager in the head office. Served there from 2<sup>nd</sup> September 2000 till joining here in Asia Pacific General Insurance Co. Ltd. on 5<sup>th</sup> April 2004. He joined in the service of the Company as Assistant General Manager and looking after the service of Re-insurance Department. He attended several training courses conducted by Bangladesh Insurance Academy and awarded with Certificates.

**07. Mr. Joy Bijoy Saha, Asstt. General Manager, Accounts Deptt.**

Mr. Joy Bijoy Saha, S/o, Bankim Chandra Saha, Controller of Accounts born in October 1969 in the District of Narayangonj. He had his Master Degree in Commerce from Dhaka University in 1992 obtaining 2<sup>nd</sup> Class. He started his career in Insurance profession in 1989. Before joining in this Company he served in the Eastern Insurance Co. Ltd. & Meghna Insurance Co. Ltd. He joined in the Asia Pacific General Insurance Co. Ltd. on 2<sup>nd</sup> October 2000. He attended training courses relating to Insurance Accounts conducted by the Bangladesh Insurance Academy and awarded Certificate.

**08. Mr. Md. Imrul Hasan Khan, Assistant General Manager**

Mr. Md. Imrul Hasan Khan S/o, Late. Rashidul Hasan Khan was born in January 1969 in the District of Comilla. He obtained graduation in Arts in 1990 from Dhaka University. He started his career with Rupali Insurance Co. Ltd. in 1992. After that he joined in the service of The Loyeds Insurance Co. Ltd. as Senior Manager in the year 2002, thereafter joined in this the Asia Pacific General Insurance Co. Ltd. in the year 2004 and looking after the services of Claims Department and subsequently he promoted to Assistant General Manager on 01<sup>st</sup> January 2005. He attended several training courses conducted by Bangladesh Insurance Academy and awarded with Certificates.

## EXECUTIVE COMPENSATION

### A. Remuneration paid to top three Executives

SL.	Name	Designation (Present)	January 1 to December 31, 2004 (Amount in Taka )
01.	Mr. Saha Abul Kashem	Managing Director	4,46,400.00
02.	Mohammed Hossain,	Additional Managing Director	3,56,400.00
03.	Chowdhury A.S. Mahabub (Madina),	Deputy Managing Director	3,30,000.00

### B. Aggregate Amount of Remuneration paid to Directors & Officers

SL.	Name	Year, 2004	Year 2003
01.	Director's Fees	150,000.00	175,000.00
02.	Executives & Officers	10,977,550.00	7,767,709.00
	<b>Total</b>	<b>11,127,550.00</b>	<b>7,942,709.00</b>

The Company did not pay any amount to any person who was not an Officer/ Director of the Company during the last fiscal year.

There is no contract with any Director/Officer for future compensation.

### Pay Increase Intention

Besides normal increment, additional salary increment has also been made.

## OPTION GRANTED TO OFFICERS, DIRECTORS AND EMPLOYEES

The company did not grant any option for issue of shares to any Officer, Director and other employees of the Company or to any other person not involved with the Company.

## TRANSACTIONS WITH PROMOTERS

### Benefit from the Company

The Promoters of the Company have not received any benefits other than Board Meeting attendance fees and the Company also has not received anything from its Promoters except fund against allotment of Shares.

### Promoters' Asset to Company

Promoters have not transferred any asset to the Company but deposited share money as required. The Company acquired assets by investing its own funds.

## OWNERSHIP OF THE COMPANY'S SECURITIES

Sl.	Name and Permanent address	Rank in APGICL	Class of Share	No of Shares Subscribed	Percentage (Approximate )
1.	A.H.M Mustafa Kamal, House # CEN(D) 11, Road # 103, Gulshan Model Town, Dhaka-1212	<b>Chairman</b>	Ordinary	70,000	10%
2.	Aftab ul Islam "Asroy" 167, Cemetery Road, Bishnapur, Chotora, Comilla.	<b>Sr. Vice Chairman</b>	Ordinary	90,000	13%
3.	Wahidul Haque Siddiqui Vill+Post: Boktopur, P.S: Chittagong.	<b>Vice Chairman</b>	Ordinary	55,000	8%
4.	Gazi AZM Shamim 143, Tejkunipara, Tejgaon. Dhaka	<b>Vice Chairman</b>	Ordinary	55,000	8%
5.	Mrs. Kashmiri Kamal House # CEN(D) 11, Road # 103, Gulshan Model Town, Dhaka-1212,	<b>Director</b>	Ordinary	70,000	10%
6.	Kashfi Kamal Flat # 9B, House # 9, Road # 103, Gulshan, Dhaka-1212,	<b>Director</b>	Ordinary	100,000	14%
7.	Moynul Haque Siddiqui Vill.: Bakhtapur, P.O.: Nanupur, P.S.: Fatikchari, Dist.: Chittagong.	<b>Director</b>	Ordinary	55,000	8%
8.	Mohd. Shahjahan Miah 228/2, West Dewbhog, Fatullah, Narayngonj.	<b>Director</b>	Ordinary	55,000	8%
9.	Mohd. Habib Ullah House # 19, West Nakhalpara, Tejgaon, Dhaka.	<b>Director</b>	Ordinary	50,000	7%
10.	Golam Kabir Chowdhury 10, Ring Road, Shamoli, Dhaka- 1207.	<b>Director</b>	Ordinary	50,000	7%
11.	Abdul Haque Vill: Fallkamuri, Post: Amratoli, P.S: Barura, Dist: Comilla.	<b>Director</b>	Ordinary	30,000	4%
12.	Iqbal Kabir Chowdhury 6, East Testuri Bazar, Tejgaon, Dhaka-1215.	<b>Director</b>	Ordinary	20,000	3%
	<b>Total</b>			<b>700,000</b>	<b>100%</b>

### **BENEFICIAL OWNERS HOLDING SHARES 5% OR ABOVE**

<b>Sl.</b>	<b>Name</b>	<b>Rank In APGICL</b>	<b>Class of Share</b>	<b>No of Shares Subscribed</b>	<b>Percentage</b>
<b>1.</b>	A.H.M Mustafa Kamal,	<b>Chairman</b>	Ordinary	70,000	10%
<b>2.</b>	Aftab ul Islam	<b>Sr. Vice Chairman</b>	Ordinary	90,000	13%
<b>3.</b>	Wahidul Haque Siddiqui	<b>Vice Chairman</b>	Ordinary	55,000	8%
<b>4.</b>	Gazi AZM Shamim	<b>Vice Chairman</b>	Ordinary	55,000	8%
<b>5.</b>	Mrs. Kashmiri Kamal	<b>Director</b>	Ordinary	70,000	10%
<b>6.</b>	Ms. Kashfi Kamal	<b>Director</b>	Ordinary	100,000	14%
<b>7.</b>	Moynul Haque Siddiqui	<b>Director</b>	Ordinary	55,000	8%
<b>8.</b>	Md. Shahjahan Miah	<b>Director</b>	Ordinary	55,000	8%
<b>9.</b>	Md. Mohd. Habib Ullah	<b>Director</b>	Ordinary	50,000	7%
<b>10.</b>	Golam Kabir Chowdhury	<b>Director</b>	Ordinary	50,000	7%

### **DETERMINATION OF OFFERING PRICE**

This is to certify that the offering price of the common stock of Asia Pacific General Insurance Company Ltd has been determined by assessing the **Net Asset Value (NAV)**. Under NAV method the financial calculations presented below are from the audited accounts of 31<sup>st</sup> December 2004.

<b>SL. No.</b>	<b>Particulars</b>	<b>Amount (Taka)</b>	<b>Amount (Taka)</b>
A.1.	Current Assets	93,628,212	
2	Advance, Deposit & Prepayments	4,176,379	
3	Amount due to other persons or bodies carrying on insurance business	7,727,435	
4	Other Accounts	14,658,673	
	<b>Total Assets</b>		<b>120,190,699</b>
B.	Total Liabilities (including Depreciation Fund)		50,074,247
C.(A-B)	<b>Net Assets</b>		<b>70,116,452</b>
D.	Number of Shares		700,000
E.	<b>Net Assets Value NAV per share</b>		<b>100.17</b>

We have examined the above calculation of Net Asset Value (NAV) of Asia Pacific General Insurance Company Ltd. Which appears to be correct.

Sd/-

Rahman Mustafiz Haq & Co.  
Chartered Accountants

Dated: 25<sup>th</sup> May 2005

Net asset Value per share of Tk. 100.00 each is Tk. 100.17 that is higher than the face value, but the company is offering its issue price at Tk. 100.00 per share (at par)

## PLAN OF DISTRIBUTION

### Underwriting of Shares

As per Securities and Exchange Commission's guideline 50% of the Public Offer of 1,050,000 Ordinary Shares of Tk. 100.00 each (at par) i.e. for Tk. 52,500,000 will be underwritten at a rate of 0.30% (Underwriting Commission) by the Underwriters for the IPO of Asia Pacific General Insurance Co. Limited.

<b>Sl. No.</b>	<b>Name of Underwriters</b>	<b>Number of Shares</b>	<b>Underwriting Amount in Taka</b>
1.	Southeast Bank Limited 1, Dilkusha C.A. Dhaka-1000	52,500	5,250,000.00
2.	Export Import Bank of Bangladesh Ltd. Printers Building (10 <sup>th</sup> Floor), 5, Rajuk Avenue, Motijheel C.A. Dhaka-1000	52,500	5,250,000.00
3.	Fidelity Assets & Securities Co. Ltd. Nitol Center (2 <sup>nd</sup> floor) 71, Mohakhali, Dhaka-1000.	52,500	5,250,000.00
4.	Raspit Securities and Management Ltd. H# 55A (3 <sup>rd</sup> floor), R# 4A Dhanmondi, Dhaka-1209.	52,500	5,250,000.00
5.	Equity Partners Ltd. 1002, DSE Annex Building (9 <sup>th</sup> Floor), 9/E, Motijheel C.A. Dhaka-1000.	52,500	5,250,000.00
6.	Green Delta Insurance Co. Ltd. Hadi Mansion (4 <sup>th</sup> Floor), 2, Dilkusha C/A., Dhaka-1000	52,500	5,250,000.00
7.	Bay Leasing & Investment Ltd. Printers Building (7 <sup>th</sup> Floor), 5, Rajuk Avenue, Motijheel C.A. Dhaka-1000 Tel:9565027,9568599	52,500	5,250,000.00
8.	Banco Trans World (BD) Ltd. Ispahani Building (3 <sup>rd</sup> floor) 14-15, Motijheel C.A., Dhaka-1000.	52,500	5,250,000.00
9.	Swadesh Investment Management Ltd. H#35, R#1/A, Banani, Dhaka-11212 Tel:9345853-5	52,500	5,250,000.00
10.	Grameen Capital Management Ltd. Grameen Bank Complex (10 <sup>th</sup> Floor), Mirpur-2, Dhaka- 1216 Tel:9005257-69	52,500	5,250,000.00
	<b>Total</b>	<b>525,000</b>	<b>52,500,000.00</b>

## **TERMS AND CONDITIONS**

- 1) If and to the extent that the shares offered to the public through a prospectus authorised hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriters in writing to subscribe the shares/debentures not so subscribed and ask the underwriters to pay for them in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- 2) If payment is made by Cheque /Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under his Agreement, until such time as the Cheque / Bank Draft has been encashed and the Company's account credited.
- 3) In any case within 7 (seven) days after the expiry of the aforesaid 15(fifteen) days, the Company shall send proof of subscription and deposit of share money by the underwriters to the Commission.
- 4) In the case of failure by the underwriters to pay for the Shares under the terms mentioned above, the said underwriters will not be eligible any issue, until such time as they fulfil their underwriting commitment under this Agreement and also other penalties as may be determined by the Commission.
- 5) In case of failure by any underwriters to pay for the shares within the stipulated time, the Company/issuer will be under no obligation to pay any underwriting commission under this agreement.
- 6) In case of failure by the Company to call upon the underwrites for the aforementioned purpose within the stipulated time, the Company and its directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law.

### **Commission for Underwriters**

- 1) The Underwriters will be paid an Underwriting Commission @0.30 of the 50% of the IPO amount (i.e., for Tk=52,500,000.00) of the issue value of shares Underwritten by them out of the Public Issue. Simultaneously with calling upon an underwriter to subscribe or procure subscriber, and pay for any number of shares, the Company shall pay to that underwriter an additional commission maximum @ 2.50% of the amount of issue value of the shares required to be subscribed by it.

### **Underwriters' right to represent in the Board of the Company**

Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company.

### **Officer or director of the underwriters acting as director of the company**

No officer or Director of the underwriters is presently engaged as the Director of the Company.

## **MARKET FOR THE SECURITIES BEING OFFERED**

The Securities will be traded at:

**Dhaka Stock Exchange Limited (DSE)**

9/F, Motijheel C/A, Dhaka-1000

And

**Chittagong Stock Exchange Limited (CSE)**

CSE Building, 1080 Sk. Mujib Road,

Agrabad C/A, Chittagong

### **“Declaration about Listing of Shares with the Stock Exchange(s):**

Application(s) will be made to the Dhaka and/or Chittagong Stock Exchange(s) within 5 (five) days of first issuance of the prospectus for permission of the share of the company for dealing in any or both of the said stock exchanges and for quotation on the stock exchange(s).

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

### **The Company is likely to be placed in “B” Category**

## **DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED**

### **Dividend, Voting, Preemption Right**

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorised representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the SEC from time to time.

### **Conversion & Liquidation Right**

If the company at any time issues convertible preference shares or Debenture with the consent of SEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the Shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

### **Dividend Policy**

- a) The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.
- b) No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.
- c) No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may, from time to time, pay the members such interim dividend as in their judgement the financial position of the Company may justify.
- e) A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of transfer.

## **OTHER RIGHTS OF STOCK HOLDERS**

The shareholders shall have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors shall present the financial statements as required under the Law and International Accounting standards. Financial Statements will be prepared in accordance with International Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the Financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

## **FINANCIAL STRUCTURE**

### **01. Financial Structure**

Issued & Fully Paid up Capital as on date (Details given in Balance Sheet)	Tk. 70,000,000
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### **02. Financial Structure after IPO**

a) Issued & Fully Paid up Capital as on date (shown in 1 above)	Tk. 70,000,000
b) IPO (Initial Public Offering)	Tk. 105,000,000

<b>Total Capital Structure after IPO will be</b>	<b>Tk. 175,000,000</b>
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IPO funds will be utilised for purposes mentioned in the section **"Use of Proceeds"**

The securities, which are subscribed by the Sponsors/Promoters/Directors, as described in the Prospectus, shall be subject to a **Lock-in period of three years**, in case of the companies intended/intending to go for Initial Public Offering (IPO), from the date of publication of the prospectus.

Either a **Jumbo Share** (one for each of the existing Sponsors/ Directors/ Shareholders) in respect of the shares already issued shall be issued covering together respective total holding which shall contain the expiry date of lock-in period or Sponsors/ Directors/ Promoters/Shareholders' shareholding shall be converted into demat form but shall be lock-in for three years as per the condition at Para 24 above.

In case of **Jumbo Share** Certificate of the existing Sponsors/ Directors/ Shareholders, the said share certificates shall be kept under custody of a security custodian bank registered with SEC during the Lock-in period. The name and branch of the bank be furnished to the Commission jointly by the issuer and the issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s).

## Details of IPO

IPO will be 1,050,000 Shares @ TK.100 each totaling Tk. 105,000,000 as per Public Issue Rules 1998, 10% has been reserved for NRB, leaving a balance of 90% for the General Public. The position is thus as follows:

01.	105,000 Ordinary Shares of Tk. 100 each are hereby offered at per to Non Resident Bangladeshis for subscription in cash in full on application.	Tk. 10,500,000
02.	945,000 Ordinary Shares of Tk. 100 each per are hereby being offered at per to the General Public for subscription in cash in full on application.	Tk. 94,500,000
<b>Total</b>		<b>Tk. 105,000,000</b>

## CONDITIONS OF OFFER AND ALLOTMENT OF SHARE

### 1. Shares

a) 10% of IPO i.e. 105,000 Ordinary Shares shall be reserved at par for Non Resident Bangladeshis	Tk. 10,500,000
b) The remaining 90% of IPO i.e. 945,000 Ordinary Shares shall be open for subscription by the General Public.	Tk. 94,500,000
<b>Total</b>	<b>Tk. 105,000,000</b>

- All Shares as stated in clause 1(a) and 1 (b) shall be offered for subscription and subsequent allotment by the Issue Manager, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
- In case of over-subscription of both the categories mentioned in clause 1(a) and 1(b) the Issue Manager shall conduct an open lottery of all the Applications received under each category separately.
- In case of under-subscription under the 10% category as mentioned in clause 1(a) the unsubscribed portion shall be added to the General Public category and if after such addition there is over subscription in the General Public category the Issue Manager shall conduct an open lottery of all the applicants added together.
- In case of under subscription of both the categories mentioned in clause 1(a) and 1(b) the unsubscribed portion of share shall be taken by the underwriters.
- In case of over-subscription under 10% category as mentioned in clause 1(a) the over- subscription portion shall be added to the General Public category and if after such addition there is over-subscription in the General Public category, the Issue Manager shall conduct an open lottery of all the applicants added together.
- The lottery as stated in clause (3), (5) and (6) should be conducted in the presence of authorized representatives of DSE and Members of the Board of the Company and Issue Manager and the applicants, if present.

8. Applications must not be for less than 50 Shares and must be multiple of 50. Any Application not meeting the criteria will not be considered for allotment purpose.
9. There are no founders' management or deferred Shares. It is also not presently intended to Issue any preference Shares.
10. No payment has been or is intended to be made to the Promoters, Directors or other persons for promotion of the Company.
11. The minimum subscription on which Directors will proceed to allotment is the full amount of the amount of the present Issue, which on the opinion of the Directors must be raised in order to provide fund required by the Company.
12. The NRB applicants, after completing and signing will submit the Application form along with foreign drafts in US Dollar/UK Pound Sterling drawn and payable in Dhaka, to the Issuer Company's office directly.

## **ALLOTMENT**

The company shall issue share allotment letters to all successful applicants within 6 (six) weeks from the date of the subscription closing date. At the same time, the unsuccessful applicants shall be refunded with the application money within 6 (six) weeks from the closing of the subscription date by Account Payee Cheque without interest 'payable at Dhaka/Chittagong/ Khulna/ Rajshahi/Barisal/ Sylhet, as the case may be. A compliance report shall be submitted to the Commission within 7(seven) weeks from the date of closure of subscription.

## **APPLICATION FOR SUBSCRIPTION**

01. Application for Shares may be made for a minimum lot of 50 (Fifty) Ordinary Shares to the value of Tk. 5,000.00 and should be made on the Company's Printed Application forms. Application forms and the Prospectus may be obtained from the Registered Office of the Company, members of the Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case adequate forms are not available, applicants may use photocopied/cyclostyled/ typed/handwritten copies of the forms. Application must not be for less than 50 Shares. Any Application not meeting the criterion will not be considered for allotment purpose.
02. Joint Application form for more than two persons will not be accepted. In the case of a joint Application each party must sign the Application form.
03. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
04. An applicant can submit not more than two Applications, one in his own name and another jointly with another person. In case an applicant makes more than two Applications, those in excess of two Applications shall not be considered for allotment purpose.
05. Bangladeshi Nationals (including Non-Resident Bangladeshis residing/working abroad) and Foreign Nationals shall be entitled to apply for Shares.
06. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the Banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque or Pay Order or Bank Draft shall be made payable to the Bank to which it is sent and be marked "**Asia Pacific General Insurance Company Ltd.**" And shall bear the crossing "**Account Payee only**" and must be drawn on a Bank in the same town of the Bank to which Application form is deposited.
07. All completed Application forms, together with remittance for the full amount payable on Application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the following Bankers to the Issue:

## **BANKERS TO THE ISSUE**

### **Southeast Bank Limited**

1. Principal Br, 1 Dilkusha C/A, Dhaka
2. Imamgonj Br., Mitford Rd., Dhaka-1100.
3. Dhanmondi Br., Dhaka-1205.
4. Uttara Br., Uttara Model Town, Dhaka,
5. New Elephant Rd. Br. Kazi Bhaban, Dhanmondi Dhaka.
6. Gulshan Br., Gulshan Avenue, Dhaka-1212.
7. Motijheel Br., Motijheel C/A, Dhaka
8. Kawran Bazar Br., Dhaka
9. Banani Branch, Banani, Dhaka
10. Bangshal Br, North South Rd, Dhaka
11. New Eskaton Br. Chowdhury Centre, Ramna Dhaka.
12. Agargaon Br. PKSF Bhaban, Mohammadpur Dhaka. ,
13. Bandar Bazar Br. (Islami Banking), Bandar Bazar, Sylhet.,
14. Shahjahanj Upasahar Br. Main Road Sylhet.
15. Laldighirpar Br., New Market, Sylhet,
16. Chouhatta br. Choutatta, Sylhet.
17. Moulivi Bazar Br., Central Road, Moulivi Bazar
18. Kulaura Br., Moulivi Bazar
19. Agrabad Br., Jahan Building, Agrabad C/A Chittagong.
20. Jubilee Road Br., Jubilee Road, Chittagong
21. Khatungonj Br., Khatungonj, Chittagong
22. Halishahar Br, Halishahar H.E, Chittagong
23. CDA Avenue Br., Pachlaish, Chittagong
24. Cox's Bazar Br., Bazar Ghat, Cox Bazar.
25. Chagalnaya Br. (Islami Banking) Mir Shopping Complex, Chagalnaya, Feni
26. Feni Branch, Feni,
27. Khulna Br., Sir Iqbal Road Br., Khulna.

### **Investment Corporation of Bangladesh**

1. Head Office, BSB Building (12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup>, & 15<sup>th</sup> Floor) 8, DIT Avenue, Dhaka.
2. Local Office, Nayapaltan, VIP Road, Dhaka.
3. Chittagong Br. Pine view, 100, Agrabad C/A, Chittagong
4. Rajshahi Br., Gaffar Plaza, Saheb Bazar, Rajshahi
5. Khulna Br., Shilpa Bank Bhaban, 25-26, KDA C/A, Khulna.
6. Barishal Br., 87-88, Hemayat Uddin Road, Barishal.
7. Sylhet Br., Chamber Building, Jail Road, Sylhet
8. Bogra Br., Bogra Islamic Studies Group Bhaban, Station Road, Satmatha, Bogra

### **The Trust Bank Limited**

1. Principal Branch, Trust Bhaban, 98, Shahid Swarani, Dhaka Cantonment, Dhaka-1206.,
2. Sena Kallyan Bhaban Branch, Sena Kallyan Bhaban, 195, Motijheel C/A, Dhaka-1000
3. Gulshan Corporate Branch, 110, Gulshan Avenue, Dhaka
4. Agrabad Branch, BSB Bhaban 106, Agrabad C/A, Chittagong
5. Dhanmondi Branch, BDR Headquarters, 4, BDR Gate, Peelkhana, Dhaka
6. Rangpur Cantonment Br. Rangpur

### **Export Import Bank of Bangladesh Ltd.**

1. Motijheel Br. Sharif Mansion Motijheel Dhaka.
2. Panthapath Br, 19/2, West Panthapath Dhaka
3. Gulshan Br. 75, Gulshan Avenue, Dhaka-1212
4. Rajuk Avenue Br. 9, Rajuk Avenue, Motijheel, Dhaka.
5. Uttara Br. H#61/A, R#7, Sector#4, Uttara Model Town, Uttara, Dhaka.
6. Elephant Road Br. 218, Elephant Road, Dhaka
7. Agrabad Branch, Mawla Chamber, Chittagong.
8. Jubilee Road Br. 63-64, Jubilee Road, Chittagong.
9. Sylhet Br. Al-Hamra Shopping City, Zinda Bazar, Sylhet.

12. Malibagh Br. 484, DIT Road, Malibag, Dhaka.
13. Ashulia Br. Rifat Square Plaza, Jamgara, Savar.

### **Arab Bangladesh Bank Limited**

1. Principal Br., BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka
2. Merchant Banking Wing, Dilkusha C/A, Dhaka.
3. Kawranbazar Br. Kawranbazar, Dhaka
4. Kakrail Branch, Kakrail, Dhaka
5. Dhanmondi Br. Mirpur Road, Lalmatia Dhaka.
6. Mohakhali Br. Pacific Plaza, Mohakhali, Dhaka.
7. Gulshan Br. Gulshan Dhaka.
8. New Elephant Rd, Br., New Elephant Road, Dhaka
9. Nawabpur Br., Nawabpur Rd., Dhaka
10. Uttara Branch, Uttara Dhaka
11. Mirpur Branch, Mirpur-1, Dhaka
12. Rokeya Sharani Branch, Rokeya sharani, Dhaka
13. Khulna Branch, KDA C/A, Khulna
14. Modhuban Branch, Bandar Bazar, Sylhet
15. Agrabad Br., Agrabad C/A, Chittagong.

### **National Credit and Commerce Bank Limited**

1. Motijheel Br., 6 Motijheel C.A Dhaka
2. Moghbazar Br. 382, Tongi diversion Road, Dhaka
3. Dilkusha Br. 43, Dilkusha C/A, Dhaka
4. Mirpur Br. Road # 1, Section 10, Mirpur, Dhaka
5. Dhanmondi Br., Dhanmondi R/A, Dhaka
6. Gulshan Br. 85, Gulshan Avenue, Dhaka
7. Malibagh Br. B-62, Malibagh Chowdhury Para, DIT Road, Dhaka
8. Uttara Br. Sector#06, Uttara Model Town, Dhaka
9. Khulna Br. 3, K.D.Ghosh Road, Khulna
10. Agrabad Br. 34, Agrabad C/A, Chittagong
11. Khatungonj Br. 601, Ramjoy Mohajan Lane, Khatungonj, Chittagong
12. O.R. Nizam Road Br. 659, O.R. Nizam Road, Chittagong
13. Jubilee Road Br. 5, Jubilee Road, Chittagong
14. Chowhatta Br. Ambarkhana Airport Road, Sylhet.
15. Moulvibazar Br. Yakub Mansion Sylhet Road, Moulvibazar
16. Rangpur Br., Rainbow Plaza, G.L. Roy Road, Rangpur
17. Jessore Br. Jess Tower, M.K. Road, Jessore.
18. Laxmipur Br. College Road, Laxmipur

### **Dutch-Bangla Bank Ltd.**

1. Local Office, 1 Dilkusha C/A, Dhaka-1000
2. Motijheel Foreign Exchange Br. Zerim Mansion, 55, Motijheel C/A, Dhaka-1000
3. Nababpur Br. 165, Nababpur Road, Dhaka-1000
4. Banani Br. Plot-75, Block-B, Kemal Ataturk Avenue, Banani, Dhaka-1213
5. Kawran Bazar Br. BSRS Bhaban (2<sup>nd</sup> Floor), 12, Kawranbazar, Dhaka-1215
6. Shantinagar Br. Madina Heights, 32, New Circular Road, Shantinagar, Dhaka-1217
7. Dhanmondi Br. Dhanmondi R/A, Dhaka-1205
8. Beburhat Br. Madhabdi Bazar, Narsingdi
9. Narayanganj Br. 45, S.M. Maleh Road, Tanbazar, Narayanganj-1400

10. B.B. Road branch, 60, B.B. Road, Narayanganj
11. Agrabad Br. Quaderi Chamber (Ground Floor), 37, Agrabad C/A, Dhaka-1212
12. Mohakhali Br. Khaja Tower, 95, Mohakhali C/A, Dhaka-1212
13. Gulshan Br. Plot No.6, Block-CES(F), 72, Gulshan Avenue, Dhaka-1212
14. Mirpur Br. 8, Darus Salam Road, Mirpur-1, Dhaka-1216
15. Uttara Br. Plot No. 7, Road#7, Sector-4, Uttara R/A, Dhaka-1230
16. Patherhat Br. Bharateswari Plaza (1<sup>st</sup> Floor), Noapara, Raozan, Chittagong
17. Hathazari, Salamattullah Bhaban, Court Road, Hathazari, Chittagong.
18. Islampur Br. Jahangir Tower, Islampur Road, Dhaka-1100
19. Dania Br. Dania Shyampur, Dhaka
20. Khulna Br., 28, Sir Iqbal Road, Khulna
21. Sylhet Br. 358, East Zindabazar, Sylhet.

### **Dhaka bank Limited**

1. Local Office Adamjee Court Motijheel C.A. Dhaka
2. Bangshal Br. 2, Bangshal Lane North South Road Dhaka
3. Imamgonj Br. Sardar Mansion 1, Imamgonj, Dhaka
4. Islampur Br. Islampur Road, Islampur, Dhaka
5. Banani Br. 73/B, Kemal Ataturk Avenue, Banani, Dhaka
6. Foreign Exchange Br. Biman Bhaban 100, Motijheel C.A. Dhaka
7. Dhanmondi Br. House#7, Road#4, Dhanmondi, Dhaka
8. Kawranbazar Br. 18, Kawranbazar, Dhaka-1215
9. Uttara Br. House #95A, Road#7, Sector-4, Uttara Dhaka
10. Amin Bazar Br. 780 Begun Bari Amin Bazar, Savar Dhaka
11. Narayanganj Br. 26-29, S.M. Maleh Road, Tanbazar, Narayanganj
12. E.P.Z. Br. E.P.Z. Savar, Dhaka
13. Islamic Banking Br. Sara Tower (1<sup>st</sup> Floor), 11/A, Townbee Circular Road, Motijheel C.A. Dhaka-1000
14. Agrabad Br. Sadharan Bima Sadan, 102 Agrabad, Chittagong
15. Khatungonj Br., Khatungonj, Chittagong
16. Jubilee Road Br. Liberty Tower, 183, Jubilee Road, Chittagong
17. Laldighirpar Br. 960, Laldighir par PS:Kotwali Sylhet-3100
18. Gulshan Br. 24, Gulshan Avenue, Dhaka.
19. Islamic Banking Br Agrabad, Chittagong.

<p>10. Bogra Br. Sheik Mansion, Borogola, Bogra. 11. Jessore Br. 37, M.K Road, Jessore</p>		
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08. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a Bank payable at Dhaka, or through a nominee (including a bank or a company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of Securities applied for. The value of Securities applied for may be paid in Taka, US Dollar or UK Pound Sterling at the rate of exchange mentioned in the Share Application Form. Refund against over subscription of Shares shall be made in the currency in which the value of Shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its Registered Office. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of APGICL and the SEC.
09. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) by the Bankers to the Issue will be remitted to the Company's STD Account No. **201.150.1770** with **Dhaka Bank Limited**, Local Office, Dhaka-1000 for the purpose.
10. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling shall be deposited to "FC Account for IPO" bearing F/C. A/C No 2011211123 with **Dhaka Bank Limited**, Local Office, Dhaka-1000. In case of over subscription, refund shall be made by the Company out of the "FC Account for IPO". The Company shall open only one "FC Account for IPO" in US Dollar or UK Pound Sterling with a bank on approval of Prospectus by SEC and close these accounts after refund of over-subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

#### **UNDERWRITERS OBLIGATION**

If and to the extent that the Shares offered to the public through a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing with a copy of the said writing to the Securities and Exchange Commission, to subscribe the Shares not so subscribed within the closing date and to pay for in cash in full, inclusive of any premium, if applicable, for such unsubscribed Shares within 15 (fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards underwriting commitment under this agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account credited. In any case within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the Commission. In the case of failure by the underwriter to pay for the Shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any Issue, until such time as he fulfills his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission.

#### **UNDERWRITING COMMISSION**

Each underwriter will be paid general commission @ 0.30% of the nominal value of Shares underwritten by them out of the Underwriting amount of Tk. 52,500,000.00. Simultaneously, with the calling upon an underwriter to subscribe or procure subscriber and pay for any number of Shares, the Company will pay to that underwriter an additional commission @ 2.50% of the nominal value of Shares required to be subscribed by them.

## **COMMISSION TO THE BANKER TO THE ISSUE**

Commission @ 1/4<sup>th</sup> of 1% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

## **MANAGER TO THE ISSUE**

AAA Consultants & Financial Advisers, Amin Court, 4th Floor, 62-63 Motijheel C/A., Dhaka-1000, is the Manager to the Issue. The Issue Manager will be paid a fee 787,500 for the Public Issue.

## **BROKERAGE**

The Company shall pay brokerage @ 1% only on the paid up value of Shares allotted to the members of recognized Stock Exchanges on Applications bearing their rubber stamp. Neither the brokerage to the members of the Dhaka & Chittagong Stock Exchange nor the commission to the Bankers shall be payable in respect of the Shares taken up by the underwriters in discharge of their underwriting obligation.

## **MISCELLANEOUS**

### **ISSUE MANAGER**

AAA Consultants & Financial Advisers  
Amin Court, 4<sup>th</sup> Floor (Suit#404)  
62-63, Motijheel C/A, Dhaka-1000

### **AUDITOR**

Rahman Mustafiz Haq & Co.  
Chartered Accountants

### **BANKER**

**Dhaka Bank Limited**

### **COMPANY'S COMPLIANCE OFFICER**

**Mr. K. M. Hafizur Rahman**  
Deputy General Manager

All investors are hereby informed by the Company that it has appointed a Compliance Officer who may be contacted in case of any Pre-Issue / Post Issue related problems such as, non-receipt of letters of allotment /Share Certificates/Refund warrants/Cancelled Stock Investors, etc.

## **MATERIAL CONTRACTS**

The following are material contracts in the ordinary course of business, which have been entered into by the Company.

- a) Underwriting Agreement between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and the Manager to the Issue, AAA Consultants & Financial Advisers.
- c) Contract between the company and the Central Depository Bangladesh Ltd. (CDBL).

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.



## **INSTRUCTIONS**

1. As per provision of Depository Act, 1999 and regulations made thereunder shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in Block letters) in English or in Bengali and must NOT be abbreviated.
3. Application must be made on the Company's printed form/photocopy or typed copy/hand written form thereof.
4. Application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 Ordinary Shares. Any Application not meeting these criterion will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the Issue A/C "**Asia Pacific General Insurance Company Ltd**" and crossed "**A/C Payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be despatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application form for more than two persons will not be accepted. In case of joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and Private Company must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. An applicant can submit NOT more than two Applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two Applications, those in excess of two Applications shall NOT be considered for allotment purpose.
10. No receipt will be Issued for the payment made with Application, but the bankers will issue a provisional acknowledgment to the Issue for Application lodged with them.
11. Refund will be made only through "**ACCOUNT PAYEE**" Cheque(s) with Bank A/C No. and name of Bank Branch as mentioned in the Application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the Application or supplying of incorrect information therein or suppressing any relevant information will make the Application liable to rejection and subject to forfeiture of Application money and/or forfeiture of share before or after issuance of the same by the issuer. The said Application money or share will be deposited in account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall NOT be considered for allotment purpose.
15. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.

## **BANKERS TO THE ISSUE**

### **Southeast Bank Limited**

1. Principal Br, 1 Dilkusha C/A, Dhaka
2. Imamgonj Br., Mitford Rd., Dhaka-1100.
3. Dhanmondi Br., Dhaka-1205.
4. Uttara Br., Uttara Model Town, Dhaka,
5. New Elephant Rd. Br. Kazi Bhaban, Dhanmondi Dhaka.
6. Gulshan Br., Gulshan Avenue, Dhaka-1212.
7. Motijheel Br., Motijheel C/A, Dhaka
8. Kawran Bazar Br., Dhaka
9. Banani Branch, Banani, Dhaka
10. Bangshal Br, North South Rd, Dhaka
11. New Eskaton Br. Chowdhury Centre, Ramna Dhaka.
12. Agargaon Br. PKSF Bhaban, Mohammadpur Dhaka. ,
13. Bandar Bazar Br. (Islami Banking), Bandar Bazar, Shylet.,
14. Shahjahanj Upashahar Br. Main Road Sylhet.
15. Laldighirpar Br., New Market, Sylhet,
16. Chouhatta br. Chouhatta, Sylhet.
17. Moulivi Bazar Br., Central Road, Moulivi Bazar
18. Kulaura Br., Moulivi Bazar
19. Agrabad Br., Jahan Building, Agrabad C/A Chittagong,
20. Jubilee Road Br., Jubilee Road, Chittagong
21. Khatungonj Br., Khatungonj, Chittagong
22. Halishahar Br, Halishahar H.E., Chittagong
23. CDA Avenue Br., Pachlaish, Chittagong
24. Cox's Bazar Br., Bazar Ghat, Cox Bazar.
25. Chagalnaya Br. (Islami Banking) Mir Shopping Complex, Chagalnaya, Feni
26. Feni Branch, Feni,
27. Khulna Br., Sir Iqbal Road Br., Khulna.

### **Investment Corporation of Bangladesh**

1. Head Office, BSB Building (12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup>, & 15<sup>th</sup> Floor) 8, DIT Avenue, Dhaka.
2. Local Office, Nayapaltan, VIP Road, Dhaka.
3. Chittagong Br. Pine view, 100, Agrabad C/A, Chittagong
4. Rajshahi Br., Gaffar Plaza, Saheb Bazar, Rajshahi
5. Khulna Br., Shilpa Bank Bhaban, 25-26, KDA C/A, Khulna.
6. Barishal Br., 87-88, Hemayat Uddin Road, Barishal.
7. Sylhet Br., Chamber Building, Jail Road, Sylhet
8. Bogra Br., Bogra Islamic Studies Group Bhaban, Station Road, Satmatha, Bogra

### **The Trust Bank Limited**

1. Principal Branch, Trust Bhaban, 98, Shahid Swarani, Dhaka Cantonment, Dhaka-1206.,
2. Sena Kallyan Bhaban Branch, Sena Kallyan Bhaban, 195, Motijheel C/A, Dhaka-1000
3. Gulshan Corporate Branch, 110, Gulshan Avenue, Dhaka
4. Agrabad Branch, BSB Bhaban 106, Agrabad C/A, Chittagong
5. Dhanmondi Branch, BDR Headquarters, 4, BDR Gate, Peelkhana, Dhaka
6. Rangpur Cantonment Br. Rangpur

### **Export Import Bank of Bangladesh Ltd.**

1. Motijheel Br. Sharif Mansion Motijheel Dhaka.
2. Panthapath Br, 19/2, West Panthapath Dhaka
3. Gulshan Br. 75, Gulshan Avenue, Dhaka-1212
4. Rajuk Avenue Br. 9, Rajuk Avenue, Motijheel, Dhaka.
5. Uttara Br. H#61/A, R#7, Sector#4, Uttara Model Town, Uttara, Dhaka.
6. Elephant Road Br. 218, Elephant Road, Dhaka
7. Agrabad Branch, Mawla Chamber, Chittagong.
8. Jubilee Road Br. 63-64, Jubilee Road, Chittagong.
9. Sylhet Br. Al-Hamra Shopping City, Zinda Bazar, Sylhet.
10. Bogra Br. Sheik Mansion, Borogola, Bogra.

12. Malibagh Br. 484, DIT Road, Malibagh, Dhaka.
13. Ashulia Br. Rifat Square Plaza, Jamgara, Savar.

### **Arab Bangladesh Bank Limited**

1. Principal Br., BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka
2. Merchant Banking Wing, Dilkusha C/A, Dhaka.
3. Kawranbazar Br. Kawranbazar, Dhaka
4. Kakrail Branch, Kakrail, Dhaka
5. Dhanmondi Br. Mirpur Road, Lalmatia Dhaka.
6. Mohakhali Br. Pacific Plaza, Mohakhali, Dhaka.
7. Gulshan Br. Gulshan Dhaka.
8. New Elephant Rd, Br., New Elephant Road, Dhaka
9. Nawabpur Br., Nawabpur Rd., Dhaka
10. Uttara Branch, Uttara Dhaka
11. Mirpur Branch, Mirpur-1, Dhaka
12. Rokeya Sharani Branch, Rokeya sharani, Dhaka
13. Khulna Branch, KDA C/A, Khulna
14. Modhuban Branch, Bandar Bazar, Sylhet
15. Agrabad Br., Agrabad C/A, Chittagong.

### **National Credit and Commerce Bank Limited**

1. Motijheel Br., 6 Motijheel C.A. Dhaka
2. Moghbazar Br. 382, Tongi diversion Road, Dhaka
3. Dilkusha Br. 43, Dilkusha C/A, Dhaka
4. Mirpur Br. Road # 1, Section 10, Mirpur, Dhaka
5. Dhanmondi Br., Dhanmondi R/A, Dhaka
6. Gulshan Br. 85, Gulshan Avenue, Dhaka
7. Malibagh Br. B-62, Malibagh Chowdhury Para, DIT Road, Dhaka
8. Uttara Br. Sector#06, Uttara Model Town, Dhaka
9. Khulna Br. 3, K.D.Ghosh Road, Khulna
10. Agrabad Br. 34, Agrabad C/A, Chittagong
11. Khatungonj Br. 601, Ramjoy Mohajan Lane, Khatungonj, Chittagong
12. O.R. Nizam Road Br. 659, O.R. Nizam Road, Chittagong
13. Jubilee Road Br. 5, Jubilee Road, Chittagong
14. Chowhatta Br. Ambarkhana Airport Road, Sylhet.
15. Moulvibazar Br. Yakub Mansion Sylhet Road, Moulvibazar
16. Rangpur Br., Rainbow Plaza, G.L. Roy Road, Rangpur
17. Jessore Br. Jess Tower, M.K. Road, Jessore.
18. Laxmipur Br. College Road, Laxmipur

### **Dutch-Bangla Bank Ltd.**

1. Local Office, 1 Dilkusha C/A, Dhaka-1000
2. Motijheel Foreign Exchange Br. Zerin Mansion, 55, Motijheel C/A, Dhaka-1000
3. Nababpur Br. 165, Nababpur Road, Dhaka-1000
4. Banani Br. Plot-75, Block-B, Kemal Ataturk Avenue, Banani, Dhaka-1213
5. Kawran Bazar Br. BSRB Bhaban (2<sup>nd</sup> Floor), 12, Kawranbazar, Dhaka-1215
6. Shantinagar Br. Madina Heights, 32, New Circular Road, Shantinagar, Dhaka-1217
7. Dhanmondi Br. Dhanmondi R/A, Dhaka-1205
8. Beburhat Br. Madhabdi Bazar, Narsingdi
9. Narayanganj Br. 45, S.M. Maleh Road, Tanbazar, Narayanganj-1400

10. B.B. Road branch, 60, B.B. Road, Narayanganj
11. Agrabad Br. Quaderi Chamber (Ground Floor), 37, Agrabad C/A, Dhaka-1212
12. Mohakhali Br. Khaja Tower, 95, Mohakhali C/A, Dhaka-1212
13. Gulshan Br. Plot No.6, Block-CES(F), 72, Gulshan Avenue, Dhaka-1212
14. Mirpur Br. 8, Darus Salam Road, Mirpur-1, Dhaka-1216
15. Uttara Br. Plot No. 7, Road#7, Sector-4, Uttara R/A, Dhaka-1230
16. Patherhat Br. Bharateswari Plaza (1<sup>st</sup> Floor), Noapara, Raozan, Chittagong
17. Hathazari, Salamattullah Bhaban, Court Road, Hathazari, Chittagong.
18. Islampur Br. Jahangir Tower, Islampur Road, Dhaka-1100
19. Dania Br. Dania Shyampur, Dhaka
20. Khulna Br., 28, Sir Iqbal Road, Khulna
21. Sylhet Br. 358, East Zindabazar, Sylhet.

### **Dhaka bank Limited**

1. Local Office Adamjee Court Motijheel C.A. Dhaka
2. Bangshal Br. 2, Bangshal Lane North South Road Dhaka
3. Imamgonj Br. Sardar Mansion 1, Imamgonj, Dhaka
4. Islampur Br. Islampur Road, Islampur, Dhaka
5. Banani Br. 73/B, Kemal Ataturk Avenue, Banani, Dhaka
6. Foreign Exchange Br. Biman Bhaban 100, Motijheel C.A. Dhaka
7. Dhanmondi Br. House#7, Road#4, Dhanmondi, Dhaka
8. Kawranbazar Br. 18, Kawranbazar, Dhaka-1215
9. Uttara Br. House #95A, Road#7, Sector-4, Uttara Dhaka
10. Amin Bazar Br. 780 Begun Bari Amin Bazar, Savar Dhaka
11. Narayanganj Br. 26-29, S.M. Maleh Road, Tanbazar, Narayanganj
12. E.P.Z. Br. E.P.Z. Savar, Dhaka
13. Islamic Banking Br. Sara Tower (1<sup>st</sup> Floor), 11/A, Townbee Circular Road, Motijheel C.A. Dhaka-1000
14. Agrabad Br. Sadharan Bima Sadan, 102 Agrabad, Chittagong
15. Khatungonj Br., Khatungonj, Chittagong
16. Jubilee Road Br. Liberty Tower, 183, Jubilee Road, Chittagong
17. Laldighirpar Br. 960, Laldighir par PS:Kotwali Sylhet-3100
18. Gulshan Br. 24, Gulshan Avenue, Dhaka.
19. Islamic Banking Br Agrabad, Chittagong.

11. Jessore Br. 37, M.K Road, Jessore



Second Applicant :		
Nominee :		

## INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made thereunder shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you don not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be written or typed in Block Letters in English and must NOT be abbreviated.
3. Application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 Ordinary Shares. Any Application not meeting this criterion will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of Shares favoring **“Asia Pacific General Insurance CO. Limited”** and crossed **“ACCOUNT PAYEE ONLY”**.
5. Application shall be sent by the applicant directly to the Company within August 25, 2005 so as to reach the Company within September 03, 2005. No Application sent after August 25, 2005 or received by the Company after September 03, 2005 will be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Shares was paid for by the applicant through Account Payee Cheque payable at Dhaka with bank account number, Bank’s name and Branch.
7. All the applicants shall first be treated as applied for one minimum lot. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery, shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately for both NRB and General Public.
8. Money receipt of clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or Company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the Application or supplying of incorrect information therein or suppressing any relevant information will make the Application liable to rejection and subject to forfeiture of Application money and/or forfeiture of share before or after issuance of the same by the issuer. The said Application money or share will be deposited in account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
12. The intending NRB applicants shall deposit share money by US \$/UK Pound Sterling draft drawn on and payable in Dhaka, Bangladesh, so that the Issuer’s collecting Bank can clear that proceeds and deposit the same into Issuer’s Bank account in time.
13. Spot buying rate (TT Clean) in US Dollars and UK Pound Sterling of Sonali Bank as prevalent on the date of opening of subscription will be applicable for the Non-Resident Bangladeshi (NRB) applicants.

**THE NRB APPLICATION ALONG WITH THE DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY’S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA-5**

# Auditor's Report

We have audited the accompanying Balance Sheet of Asia Pacific General Insurance Company Limited as on 31 December 2004 and the related Profit and Loss Account and Statement Cash Flows for the year then ended. The preparation of these financial statements are the responsibility of the Company's Management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the Company's affairs as at 31 December, 2004 and of the results of its operations and its cash flows for the year ended and comply with the Companies Act 1994, the Insurance Rules 1958, the Securities and Exchange Rules (SER), 1987 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof,
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- c) The Company's Balance Sheet, Profit and Loss Account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- d) The expenditure incurred was for the purposes of the Company's business;
- e) As per Section 40-C(2) of the Insurance Act 1938 as amended, we certify that, to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of Management wherever incurred and whether incurred directly or indirectly, in respect of Insurance business of the Company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit and Loss Account of the Company; and
- f) As per regulation ii of part 1 of the third schedule of the Insurance Act 1938 as amended, we certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh and or received from any person any commission in any form in respect of its business re-insured abroad.

Place: Dhaka  
Date : 10 March 2005

Sd/-  
Rahman Mustafiz Haq & Co.  
Chartered Accountants

Date : 25/05/2005

## **Additional Disclosures by the Auditor**

1. Related party disclosures in accordance with IAS – 24 are as follows:

a. Name of the Directors and their interest in the Company stated below:

SL.#	Name and Permanent address	Rank in APGICL	Class of Share	No of Shares Subscribed	Percentage
01.	Mr. A H M Mustafa Kamal, FCA,	Chairman	Ordinary	70,000	10%
02.	Mr. Aftab ul Islam, FCA	Sr. Vice Chairman	Ordinary	50,000	7%
03.	Mr. Wahidul Haque Siddiqui	Vice Chairman	Ordinary	55,000	8%
04.	Mr. Gazi A.Z.M. Shamim	Vice Chairman	Ordinary	55,000	8%
05.	Mrs. Kashmiri Kamal	Director	Ordinary	70,000	10%
06.	Ms. Kashfi Kamal	Director	Ordinary	1,00,000	15%
07.	Mr. Moynul Haque Siddiqui	Director	Ordinary	55,000	8%
08.	Mr. Mohammad Shahjahan Mia	.Director	Ordinary	55,000	8%
09.	Mr. Mohd. Habib Ullah	Director	Ordinary	50,000	7%
10.	Mr. Golam Kabir Chowdhury	Director	Ordinary	50,000	7%
11.	Mr. Nasir Khan	Director	Ordinary	40,000	6%
12.	Mr. Abdul Haque	Director	Ordinary	30,000	4%
13.	Mr. Iqbal Kabir Chowdhury	Director	Ordinary	20,000	3%
<b>Total</b>				<b>700,000</b>	<b>100%</b>

**c. Name of Directors and their transaction of related organizations with Asia Pacific General Insurance Company Limited**

<b>Sl. No.</b>	<b>Name of Directors</b>	<b>Related Transaction</b>	<b>Nature of Transaction</b>	<b>Amount of Premium</b>
1.	Mr. AHM Mustafa Kamal	M/s. CMC Kamal Textile Mills Ltd. M/s. Hardwood Dimension (BD) Ltd. M/s. LK Cotton Mills Ltd. M/s. LK Spinning Mills Ltd. M/s. LK Unitex Co. Ltd. M/s. Lotus Kamal Knitwear Ltd. M/s. Lotus Kamal Pharmaceuticals Ltd. M/s. Lotus Spinning Mills Ltd. M/s. Prolexus Lotus Kamal Ltd. M/s. Samwon LK Electronics Ltd.	Insurance premium	22,42,170.00 26,445.00 51,446.00 1,19,737.00 12,48,162.00 4,26,963.00 2,115.00 14,26,936.00 1,768.00 81,004.00 4,85,599.00
			<b>Total</b>	<b>61,12,345.00</b>
2.	Mr. Aftab ul Islam	M/s. International Office Equipment	Insurance premium	4,78,792.00
			<b>Total</b>	<b>4,78,792.00</b>
3.	Mr. Wahidul Haque Siddiqui	M/s. BDCOM Online Ltd. M/s. Hornbill Apparels Ltd. M/s. Norban Communication Ltd. M/s. Norban Corporation Ltd. M/s. Norban Fashion Ltd.	Insurance premium	75,898.00 1,46,850.00 1,15,180.00 457.00 76,458.00
			<b>Total</b>	<b>4,14,843.00</b>
4.	Mr. Gazi A.Z.M. Shamim	M/s. Frankenfood Corporation M/s. Gazi Cement Mills Ltd. M/s. H & S Enterprises M/s. Orient Export Import Co. Ltd. M/s. Pacetronic International M/s. Ramim Gas & Chemicals Co. M/s. Tekno Orient Ltd.	Insurance premium	4,15,364.00 899.00 6,43,424.00 1,36,801.00 14,953.00 39,131.00 2,05,435.00
			<b>Total</b>	<b>14,56,007.00</b>
5.	Mr. Mohammed Shahjahan Mia	M/s. Anmona Fashions Ltd. M/s. Samrat Yarn Dyeing Ltd. M/s. Razia Knit Garments Ltd. M/s. Shawon Textile Ind. (Pvt) Ltd.	Insurance premium	796.00 56,210.00 20,813.00 10,406.00
			<b>Total</b>	<b>88,225.00</b>
6.	Mr. Nasir Khan	M/s. Jennys International	Insurance premium	698.00
			<b>Total</b>	<b>698.00</b>
7.	Mr. Abdul Haque	M/s. Haq's Bay Automobiles Ltd.	Insurance premium	13,13,215.00
			<b>Total</b>	<b>13,13,215.00</b>
8.	Mr. Golam Kabir Chowdhury	M/s. Recent Sweaters Ltd.	Insurance premium	18,04,700.00
			<b>Total</b>	<b>18,04,700.00</b>
9.	Mr. Iqbal Kabir Chowdhury	M/s. Lil Nasikko & Co. Ltd.	Insurance premium	75,840.00
			<b>Total</b>	<b>75,840.00</b>
			<b>Grand Total</b>	<b>1,30,47,979.00</b>

d. Related transaction with Tax authority:

Assessment Year	Assessment Tax	Tax paid / Adjusted	Further liability
2001-2002	Nil	Nil	Nil
2002-2003	2,20,792	2,20,792	Nil
2003-2004	6,46,553	6,46,553	Nil
2004-2005	41,16,216	41,16,216	Nil
Total	49,83,563	49,83,563	Nil

2. **Compliance of the section 3C, 27, 27A, 27B, 29, 40 & 40C of the Insurance Act-1938 and Rule 40 of the Insurance Rule-1958.**

**Section 3C of Insurance Act 1938**

The Company has always complied with the Section 3C of Insurance Act-1938 as applicable.

**Section 27 of Insurance Act is not applicable for the General Insurance Company.**

*Section 27(A) of Insurance Act 1938*

Optimum investment of the Company for the period ended 31<sup>st</sup> December 2004 as per section 27(A) of Insurance Act-1938.

Particulars	Amount (In Taka)
<b>Liabilities (as per sub section-2)</b>	51,33,738.00
A. Net Claim outstanding	1,22,65,193.00
B. 40% of Net Premium (Marine Cargo, Fire, Motor, MISC)	5,62,739.00
C. 100% of Net Premium (Marine Hull)	94,43,876.00
D. Provision for Dividend and unpaid Dividend	69,37,824.00
E. Due to other Insurance Company	78,59,938.00
F. Reserve for Taxation	9,83,487.00
G. Sundry Creditors (Excluding Share Capital General Reserves, Investment Reserve, Reserves for Bad & Doubtful debts, Depreciation Fund)	
Total Liabilities (A to G)	<u>4,31,86,795.00</u>
Or	
10% of the Net Premium	<u>31,22,572.00</u>
Higher one is optimum investment as per section 27A of Insurance Act 1938 (a)	4,31,86,795.00
Actual Investment as at 31 <sup>st</sup> December 2004 (As per Section 27A3)	
National Investment Bond	90,00,000.00
FDR	7,30,00,000.00
Total Actual Investment (b)	<u>8,20,00,000.00</u>
Excess in Investment (a - b)	<u>3,88,13,205.00</u>
	<u>0</u>

## Section 27B of Insurance Act 1938

The Company has no investment against purchase of shares and debentures of any Company, Firms or other Business concern which is related to any Directors or any members of the family of such Director has any Interest as Proprietor Partner, Director, Manager or Managing Agent.

### **Section 29 of the Insurance Act 1938.**

The Company has never granted any loan to any Director or any member of the family. Banking Company, subsidiary company and Auditor, any loan or temporary advance either and hypothecation or property or an personal security or otherwise except a loan for Tk.31,452.00 against their officers with the prior approval of the Board of Directors. Subsequently said advance of Tk.31,452.00 has been realized by 30/04/05.

### **Section 40C of Insurance Act 1938 and Rule 40 of the Insurance Rules 1958.**

Allocation of Management expenses in regards to compliance with the section 40(c) of the Insurance Act-1938 and Rule 40 of the Insurance Rules 1958 is given below:

Level of Premium	Allowable Expenditure		Actual Expenditure	Variance	Remarks
	%	Amount			
<b>Fire, Motor, Misc</b>					
First 1 crore	30%	30,00,000			
Next 1 crore	25%	25,00,000			
Next <u>44,06,501</u>	25%	11,01,625			
<b>2,44,06,501</b>		<b>66,01,625</b>	<b>76,15,505</b>	<b>(10,13,880)</b>	<b>Adverse</b>
<b>Marine</b>					
First 1 crore	18%	18,00,000			
Next 1 crore	15%	15,00,000			
Next <u>81,15,828</u>	15%	12,17,373			
<b>2,81,15,828</b>		<b>45,17,373</b>	<b>87,72,919</b>	<b>(42,55,546)</b>	<b>Adverse</b>
Additional allowance as per Rule 40(2) (iv)					
Interest earn on paid up capital (7,00,00,000 x 8) =					
56,00,000					
5% of gross premium =		26,26,116			
26,26,116					
Which ever is less					
		<b>1,37,45,114</b>	<b>1,63,88,424</b>	<b>(26,43,310)</b>	<b>Adverse</b>

### **Comments:**

The Company incurred Management expenses in excess of the prescribed limits under section 40C of the Insurance Act 1938 and Rule 40 of the Insurance Rules 1958.

- Propose dividend as shown under note-11 of the audited Accounts-2004 was not paid to the shareholders within 30.04.2005.

4. An amount of Tk. 8,64,012/- against insurance stamp was shown under head of Sundry creditors pending for issuance of marine policies, which supposed to be issued within the accounting period of 2004. But, unfortunately due to non availability of shipping documents Company could not able to issue said policies within the mentioned period for which stamps of the above noted amount were not used in time. However, subsequently the Company was received the required shipping documents and issued the relevant policies using the stamps on the stated amount.
5. Year wise breakup of advance against Income Tax as deducted at source on FDR, STD and NIB account

Particulars	Amount	Adjusted	Balance
For the year 2000	1,89,009	-	1,89,009
For the year 2001	5,89,360	2,09,794	3,79,566
For the year 2002	9,08,890	-	9,08,890
For the year 2003	13,13,882	-	13,13,882
For the year 2004	9,89,264	8,30,464	1,58,800
	39,90,405	10,40,258	29,50,147

6. Name wise Schedule with date against Advance claims amounting Tk. 7,00,000.00 with explanation is given.
7. The Statement under note No. 14(b) of the Audit Report has been printed inadvertently as such there was no scope to mention any item in the head of deposit under note 14.
8. The amount of Tk. 72,18,334.00 only under note No. 15 of the Audit Accounts-2004 under head cheques in hand has already been realized subsequently.
9. Detailed schedule of FDR, STD & Current A/C showing thereon the Name of Bank, A/c. number, date etc as per requirement of SEC is given.
10. **Earning per share (EPS) as per IAS-33 is given below:**

Particulars	31-12-2004	31-12-2003
Earning Attributable to the ordinary shareholders (Net profit after Tax as per profit & loss A/c.) Tk.	62,29,282	50,03,430
Weighted average number of ordinary shares outstanding during the year	7,00,000	7,00,000
Earning per share (EPS)	8.90	7.14

11. Inconsistency in the Ratio Analysis of Intrinsic Value per share & Net assets Value per share caused inadvertently. Now, the correct Ratio Analysis of Net Asset Value per share under NAV method is given.
12. Employees remuneration slab of Asia Pacific General Insurance Company Limited for the year 2004 as required under Schedule –XI part-II of the Companies Act-1994.

Statement of Employees remuneration slab of Asia Pacific General Insurance Company Limited for the year 2004 as per schedule XI part-II of the Companies Act-1994 is given below:

	Number of Employees
A. Employees served for below the yearly remuneration of Tk. 36,000/-	8
B. Employees served for above the monthly remuneration of Tk. 3,000/-	143
Total=	<u><u>151</u></u>

Dated: 25<sup>th</sup> May 2005.

Sd/-  
Rahman Mustafiz Haq & Co.  
Chartered Accountants.

## CASH AT BANK BALANCE

(1)	Sonali Bank, B.B. Avenue Corporate Br. Dhaka	CD	Tk.	8,087.00
(2)	National Bank Ltd. Mohakhali Br. Dhaka	STD 004303000798	Tk.	9,263.00
(3)	National Bank Ltd. Gulshan Br. Dhaka	STD	Tk.	3,528.00
(4)	Eastern Bank Ltd. Shantinagar Br. Dhaka	STD 11410432	Tk.	50,369.95
(5)	Sonali Bank, B.B. Avenue Corporate Br. Dhaka	STD 1076	Tk.	6,21,875.56
(6)	Southeast Bank Ltd. Agrabad Br. Chittagong	STD 13100001367	Tk.	11,397.41
(7)	Dutch Bangla Bank Ltd. B.B. Road, Narayangonj	CD 0111-021002701	Tk.	500.00
(8)	Dutch Bangla Bank Ltd. B.B. Road, Narayangonj	STD 0111-0320535	Tk.	1,183.07
(9)	Bank Asia Ltd. Agrabad Br. Chittagong	STD 0005336001157	Tk.	2,18,698.99
(10)	Agrani Bank Ramna Br. Dhaka	STD 36000872	Tk.	1,000.00
(11)	Dutch Bangla Bank Ltd. Local office, Dhaka	STD 1011201611	Tk.	1,000.00
(12)	Dhaka Bank Ltd.	STD 0205150000000631	Tk.	1,000.00
			<b>Tk.</b>	<b>9,27,902.98</b>

**Schedule of advance claim with explanation:**

**SCHEDULE**

<b>Claim No.</b>	<b>Date of Loss</b>	<b>Name of Insured</b>	<b>Sum Insured Tk.</b>	<b>Subject Matter of Insured</b>	<b>Nature of Loss</b>	<b>Approved amount of claim</b>	<b>Advance amount Tk.</b>	<b>Date of Advance</b>
APGIC/HO/FIRE /CLAIM-02/12/ 2003	29-12-03	M/s. Uttara Bank Ltd., Gulshan Branch, A/c. M/s. Hollywood Fashions (Pvt.) Ltd.	1,27,61,975/-	Machinery, stock of Raw materials, finished goods, stock in process, Office equipment including Fax, Photocopy Machine & Air cooler only.	Fire damages of Insured Properties	17,46,500/-	2,00,000/- 5,00,000/-	26-04-2004 16-05-2004
							<b>7,00,000/-</b>	

**Comments:-**

Subject claim / loss assessed by the Surveyors for settlement at Tk.17,46,500/- only. Accordingly Management and the Claims Committee referred the matter to the Board of Directors of the Company with recommendation for approval of the claim as per assessment of the Surveyors. But it caused delay to place the claim to the Board for approval for which at the request of the insured the Management of the Company made the above advance against the subject claim subsequently realize.

Date: 25<sup>th</sup> May, 2005

Sd/-  
Rahman Mustafiz Haq & Co.  
Chartered Accountants.

## **Additional Disclosures by Managing Director of Asia Pacific General Insurance Company Limited**

### **1. Regarding payment of Dividend:**

Meantime the Company has already paid the undistributed Dividend for the year – 2003 to its Shareholders. The payment of Dividend for the year – 2004 is under process and we may make assure for distribution of the same to the Shareholders before subscription of forth coming Public Issue of the Company.

### **2. Regarding provision of reserve for exceptional loss:**

Making provision of Reserve for exceptional loss is not mandatory as per Insurance Act 1938. Generally this provision is made to reap the tax benefit. The company emphasizes on declaration of Dividend with a view to enhance benefit to the Shareholders against their investment.

### **3. Regarding provision of penalty:**

The Company does not require to make any provision of penalty as they were fully prepared to submit the prayer for approval of its Prospectus regarding Public Issue within the stipulated time (31/04/2005) as fixed by the office of Controller of Insurance in a meeting with the Executives of the Association dated 02/01/2005. Accordingly, Asia Pacific General Insurance Company Limited has submitted their prayer to Securities & Exchange Commission (SEC) for approval of Public Issue for 10,50,000 Shares at Tk.100/- each (at par). Therefore, no reason to make provision for penalty is required.

Sd/-

**Shah Abul Kashem**  
**Managing Director**  
Dated: 22/06/2005